

DEPARTMENT OF THE ARMY

GOVERNMENT PURCHASE CARD

OPERATING PROCEDURES

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Chapter 1: The Government Purchase Card Program

1-1. Purpose

a. This document provides the procedures to be used within the Army to establish and manage the Army Government Purchase Card (GPC) program. Best practices are identified in Appendix A. Army activities may adopt more stringent internal control requirements than the requirements cited herein. However, as these are risk-managed programs, activities should maintain a proper balance between the control environment and ease of use to ensure that the benefits of the card continue to accrue. These procedures establish Army-wide standards designed to provide all Army activities with a foundation upon which to build specific standard operating procedures governing their programs.

b. Nonappropriated activities will implement policies and procedures governing the Army's morale, welfare, and recreation programs and general policies on Nonappropriated Fund Instrumentalities (NAFI). Chaplaincy activities will implement policies and procedures governing Army Chaplain Corps activities. Army NAFIs/entities must operate within the parameters of these procedures.

1-2. References

Required and related publications and forms are listed in Appendix B.

1-3. Glossary

Acronyms and special terms are in the Glossary, Appendix I.

1-4. Background

The General Services Administration (GSA) awarded a multiple award schedule contract for U.S. Government commercial purchase card services. The contractor (hereinafter referred to as the "Servicing Bank") provides commercial GPCs and associated services. The Army issues a task order to the servicing bank for its GPC services.

1-5. Authority

- a. Federal Acquisition Regulation (FAR), Part 13 "Simplified Acquisition Procedures"
- b. Defense Federal Acquisition Regulation Supplement (DFARS), Part 213.301 "Government-wide commercial purchase card"
- c. Army Federal Acquisition Regulation Supplement (AFARS), Part 5113.2 "Simplified Acquisition Procedures"
- d. Treasury Financial Manual, - Vol. I, Part 4, Ch. 4500, "Government Purchase Cards"
- e. Department of Defense (DOD) Financial Management Regulation (FMR) Vol. 10, Ch. 23, "Purchase Card Payments"
- f. DOD FMR Vol. 10, Ch. 23, Annex 1, "Purchase Card Certification Statements"
- g. DOD FMR Vol. 10, Ch. 2, "Discount Offers and Rebates/Refunds"

- h. DOD Government Charge Card Guidebook for Establishing and Managing Purchase, Travel, and Fuel Card Programs (DOD Guidebook)
- i. OMB Circular No. A-123, Appendix B Revised

1-6. GPC Authority

a. The Chief of the Contracting Office (CCO) shall delegate micro-purchase procurement authority to individuals at the lowest level who are Army military or civilian employees that will use the supplies or services purchased. This authority may be redelegated in writing to the Level 3 or 4 Agency/Organization Program Coordinator (A/OPC).

b. Orientation and training on the Army purchase card program is a prerequisite to receiving a GPC.

c. Generally, only government employees can be cardholders. However, a number of exceptions apply:

(1) Under certain conditions, GSA can authorize contractors to establish cards directly with the issuing bank, if necessary. (DOD Guidebook page A-1). Requests for GPC by contractors working under cost type contracts shall be forwarded to the Army contracting officer for the cost-reimbursable contract. If the contracting officer determines that the contractors are eligible, the contractors will then file a Request for Eligibility Determination with the GSA SmartPay contracting officer. (AFARS 5113.202-90(b)).

(2) Foreign nationals may be designated as accountable officials - Billing Officials (BOs) and Cardholders (CHs) provided they are direct hires, even though they may not be subject to pecuniary liability under U.S. law. Given the above, purchase cards may be issued to foreign national employees of the Army if they meet accountable official requirements (nomination and training). They are subject to the same disciplinary actions for card misuse as U.S. citizen employees, subject to host country agreements and local law. (DOD Guidebook page A-1 and DOD FMR Volume 5, Chapter 33, paragraph 330204).

d. Army cardholders who are ordering officers may be authorized to use the GPC as a payment instrument for orders made against Federal Supply Schedule contracts (FSS), Blanket Purchase Agreements (BPAs), DOD Indefinite Delivery/Indefinite Quantity (IDIQ) contracts that contain a provision authorizing payment by purchase card, or other contracts when authorized by the contracting officer.

e. The GPC may provide a streamlined way of paying for contracts and other contracts than those listed above, but a contracting officer shall first determine that use of the GPC is in the best interest of the government (AFARS 5113.202-90(d)). See FAR Subpart 32.1110(d) and 32.1108 for instructions for use of the appropriate clause when payment under a written contract will be made through use of the card. If payment under a written contract will be made by the GPC, then the contracting officer shall insert the FAR clause

52.232-36, Payment by Third Party, in solicitations and contracts. Payment by a purchase card may also be made under a contract that does not contain the clause at 52.232-36, to the extent the contractor agrees to accept that method of payment. When the clause at 52.232-36 is included in a solicitation or contract, the contracting officer shall also insert the clause at 52.232-33, Payment by Electronic Funds Transfer—Central Contractor Registration, or 52.232-34, Payment by Electronic Funds Transfer—Other Than Central Contractor Registration, as appropriate.

f. The maximum single transaction dollar limit for the GPC for stand-alone purchases shall be the micro-purchase threshold as defined at FAR 2.101, DFARS 213.301(2) and AFARS 5113.270-90. The maximum single transaction dollar limit for contract payments against existing contracts shall be as identified in the contract and shall be within the limits defined in the CH written Delegation of Authority letter or the contracting officer's warrant. In the event of an emergency need for contingency or humanitarian aid operations, the Executive Office of the President may sign into law an emergency procurement authority allowing increased GPC and convenience check limits and revised procedures in support of contingency and humanitarian aid operations. In such circumstances, the Director of Defense Procurement and Acquisition Policy also may authorize class deviations to allow organizations to deviate from the FAR and DFARS. Such deviations may include raising GPC spending limits. These contingency/emergency purchases require separate training and Delegation of Authority by the A/OPC on contingency/emergency procedures and authority must be issued/granted by the Chief of Contracting or other authorized person.

g. The GPC shall be used to pay for government-owned material or government-performed services received from other government sources (e.g. Defense Logistics Agency Document Services, GSA Global, and Defense Logistics Agency). Procurement thresholds do not apply for GPC payments to other government sources.

h. The GPC shall be used as a method of payment for all commercial training \$25,000 and below. The Standard Form (SF) 182 must be completed for training up to \$25,000. If training costs exceed \$25,000, submit the training requirement to your local contracting office.

i. Where it is identified that the purchase will be processed via a third party merchant (such as PayPal), the CH should make every attempt to choose another merchant with whom to procure the goods and and/or services. If it is still found necessary to procure through using a third party payment merchant, the approving officer must ensure adequate supporting documentation showing that there was a detailed review of the purchase and that the use of the third party payment merchant was unavoidable.

1-7. Applicability

These procedures apply to all GPC purchases with cards issued by the Army. Non-Army tenant organizations issued Army GPCs or convenience checks by an Army contracting office are also subject to these procedures. All BOs, CHs, A/OPCs (at all levels),

Resource Managers (RMs), Logisticians, and other stakeholders that participate in the GSA SmartPay Purchase Card Program under the Army Level 2 hierarchy are subject to these procedures. The policy established in this document supersedes previous guidance issued in the Draft Army Regulation (AR715-xx). Explanation of the Army Level hierarchy is provided at 1-8.

1-8. Program Organization, Roles and Responsibilities

The general roles and responsibilities of the participants in the purchase card program are presented in the references listed in paragraph 1-5 and the following: AFARS 5113.201, Chapter 2 and Appendix A of the DOD Government Charge Card Guidebook; Volume 1 Part 4 Chapter 4500 of the Treasury Financial Manual; Office of Management and Budget (OMB) Circular 123, Appendix B Revised, Chapters 4.3, 4.4, and 4.8; 31 U.S.C. §3528 “Responsibilities and Relief from Liability of Certifying Officials; DOD Financial Management Regulation (DOD FMR) Volume 5, Chapter 33 “Departmental Accountable Officials, Certifying Officers And Review Officials”, and DOD FMR Volume 10, Chapter 23, paragraph 2303 and 2304.

Army Level Hierarchy GPC Program structure uses a multi-level approach defined by level numbers		
Level 1 A/OPC	DOD	DOD Purchase Card Program Management Office (PCPMO) is the reporting agency representative to DOD.
Level 2 A/OPC	ASA(ALT) DASA(P) SAAL-PB	Assistant Secretary of the Army (Acquisition, Logistics, and Technology) , Deputy Assistant Secretary of the Army for Procurement, Business Operations staff member serves as the Level 2 A/OPC
Level 3 A/OPC	Army Command (ACOM) or equivalent organization	<ul style="list-style-type: none"> • ACOM or equivalent organization must possess Head of Contracting Activity authority and the PARC will designate a Level 3 A/OPC and alternate • The Level 3 A/OPC reports to the Level 2 A/OPC as required • The PARC’s management responsibility for the GPC program may be delegated to the CCO.
Level 4 A/OPC	Installation or equivalent Organization	<ul style="list-style-type: none"> • The installation or equivalent organization’s CCO designates a contracting staff member as the Level 4 A/OPC - The Level 4 A/OPC reports to the Level 3 A/OPC as required
Level 5	BO Alternate BO	<ul style="list-style-type: none"> • Individual designated to receive and review the billing statement, and verify the CH purchases made are for official government use only • Nominated by the Installation Commander or Head of the Activity. • Appointed as a Certifying Officer by COC (can’t be delegated to A/OPC)
Level 6	CH	<ul style="list-style-type: none"> • Individual issued the GPC or convenience checks • Appointed by Level 4 A/OPC (when COC delegates the authority to A/OPC) • CH must acknowledge authority and duties by signing appointment letter

a. Level 2 – A/OPC duties:

- (1) administering the Army GPC Program;
- (2) establishing policies and guidelines;
- (3) designing and maintaining hierarchies and approving subordinate A/OPCs;
- (4) ensuring effective surveillance within the ACOMs, Army Service Component Commands, Direct Reporting Unit;
- (5) serving as a liaison with Army organizations, the Servicing Bank, the PCPMO, and GSA; and,

(6) managing and implementing technical enhancements (developing, testing and deployment of GPC hardware/software/networking systems enhancements).

b. **Level 3 – A/OPC duties:** Alternate Level 3 A/OPC duties are the same as the Primary Level 3 A/OPC.

(1) implementing, administering, and monitoring the ACOM GPC program subject to DOD and Army policies;

(2) serving as a liaison with Army Headquarters, the Servicing Bank, ACOM staff, and field organizations;

(3) providing program support to ACOM and installation GPC focal points;

(4) establishing and implementing ACOM-specific policy and guidelines; and,

(5) developing the GPC program internal control requirements, reporting mechanisms and surveillance plan.

c. **Level 4 - A/OPC duties:** Alternate Level 4 A/OPC duties are the same as the Primary Level 4 A/OPC.

(1) managing the day-to-day operation of the GPC Program at the installation/organization;

(2) assisting CHs and BOs in fulfilling their responsibilities;

(3) ensuring local agency training is provided to CHs and BOs via an appropriate training method (i.e. classroom, VTC, electronic, etc.) prior to participation in the GPC program;

(4) ensuring an alternate billing official is in place;

(5) oversight responsibilities that may not be redelegated (e.g. annually reviewing BO and CH accounts, span of control);

(6) maintaining delegation of authority appointment letters and a current listing of all CHs and BOs under the Level 4 A/OPC's jurisdiction;

(7) determining annually each CH's continuing need to maintain an account;

(8) issuing purchase cards in controlled limited quantities to authorized personnel with a demonstrated need to make purchases when reasonably necessary to meet operational requirements;

(9) cancelling accounts with no activity for six months; or

a) set the single purchase limit to \$1 in the event of unauthorized activity/fraud on the account.

b) receive justification in writing when individuals are deployed or other authorized absence for six months or longer;

c) receive justification in writing from BOs when accounts that have little activity must remain open in the event of an emergency service outage, emergency repair, contingency, etc.

(10) developing and implementing local procedures to identify and make CHs aware of unauthorized and prohibited items from purchase with the GPC;

(11) ensuring completion of the following training for all CHs and BOs;

a) mandatory Defense Acquisition University (DAU) initial GPC training

- b) local specific agency training through any authorized training method deemed appropriate by the activity
- c) mandatory refresher training every two years
- d) mandatory annual ethics training
- e) U.S. Bank Access Online web based training
- (12) maintaining training records including a database of all completed training;
- (13) monitoring Bank transaction reports to disclose potential prohibited or improper use, and taking immediate action to address suspected legal or policy violations;
- (14) monitoring Bank transaction declination reports to identify potential fraud activity;
- (15) conducting an annual review of each assigned BO's records and procedures;
- (16) reviewing transactions and buying logs within four months of newly appointed CHs; and,
- (17) processing requests for user identifications and passwords for the Servicing Bank's Electronic Access System (EAS).

d. **Level 5 – Billing Official duties:** Alternate BO duties are the same as the Primary BO, and should only be performed in the absence of the Primary BO.

- (1) providing written approval/disapproval of purchases to the CH;
- (2) reconciling invoices and timely certifying the billing statement for payment and verifying payments to be legal, proper, necessary, and correct in accordance with government rules and regulations;
- (3) ensuring CHs fulfill their responsibilities by conducting CH compliance reviews;
- (4) reporting questionable transactions to the Level 4 A/OPC and/or appropriate authorities for investigation;
- (5) recommending in writing appropriate GPC credit limits to the Resource Manager and Level 4 A/OPC for CHs under the BO's oversight;
- (6) reviewing CH's statement and approving CH statement in the CH's absence within the required time frames;
- (7) identifying and communicating billing discrepancies to the bank's transaction dispute point of contact when the CH is unavailable - for Access Online users;
- (8) retaining an electronic (printable) or manual copy of each billing statement, and maintaining with the billing statement all original supporting documentation, receipts, logs, invoices, delivery tickets, approvals, etc. for six years and three months after final payment;
- (9) reviewing and reconciling CH statements against receipts and documentation;
- (10) notifying the Level 4 A/OPC (in most cases 30 days prior to the event) to close any CH accounts for individuals who have transferred, terminated, are in "absent without leave" status, retired or have otherwise no further need for use of the GPC;
- (11) notifying the Level 4 A/OPC of any lost, stolen or compromised cards (in addition to the CH's immediate notification of the Servicing Bank) and submitting a report to the Level 4 A/OPC within five business days to detail the circumstances of the lost, stolen or compromised card;
- (12) resolving any questionable purchases with the CH;

- (13) certifying billing statements electronically within 5 business days for electronic data interchange (EDI) enabled accounts for Access Online users, and forward the official invoice to the Paying Office for payment in the case of manually paid accounts within 15 days of receipt;
- (14) ensuring designation of the proper line of accounting;
- (15) ensuring an Alternate BO is appointed;
- (16) notifying the Level 4 A/OPC to terminate or reassign a BO account to a new BO prior to the BO's reassignment to other duties and/or departure from the installation/activity;
- (17) ensuring adequate funding exists prior to approving the purchase;
- (18) working with the bank to resolve payment issues;
- (19) performing an annual review of CH files using the checklist in Appendix D, Section 2 (separate review from the mandatory annual A/OPC review of BOs); and,
- (20) BO should be in the CH's direct chain of command.

e. Level 6 – Cardholder duties:

- (1) making authorized purchases;
- (2) collecting and maintaining the required documentation;
- (3) maintaining files and records;
- (4) rotating merchants when practicable;
- (5) verifying independent receipt and acceptance of goods and services;
- (6) verifying the establishment of the legitimate government need;
- (7) complying with required sources:
 - (a) FAR Part 8 and DFARS 208 Required Sources of Supply/Service
 - (b) Utilize mandatory BPAs to purchase office supplies
 - (c) Section 508 of the Rehabilitation Act of 1973, as amended (29 U.S.C. §794d)
 - (d) Environmentally Preferable Purchasing (EPP). FAR Part 23.
- (8) obtaining all required pre-purchase approvals in support of requirements;
- (9) verifying receipt/acceptance of purchased goods or services received including tracking of partial shipments and components that must be received within the dispute window;
- (10) reviewing and reconciling monthly statements;
- (11) resolving unauthorized, erroneous, or questionable transactions with merchants;
- (12) disputing questionable transactions and disputing with the merchant any unresolved transaction for which a charge occurred during the prior billing cycle(s) but the item(s) have not been received, and tracking the dispute to completion. Disputes must be filed by one of three methods: calling the servicing bank, faxing over a Cardholder Statement of Questioned Items form or using the Servicing Bank's dispute process in Access Online (AXOL), within 60 days of the cycle end date in which the transaction appeared in order to retain the government's dispute rights.
- (13) notifying the BO of unusual/questionable requests and disputable transactions;
- (14) maintaining physical security of the GPC (and convenience checks) to avoid unauthorized use, allow no one but the CH to use the GPC, and do not release the GPC account number to entities other than a merchant processing a transaction;

(15) notifying the BO of a lost, stolen, or compromised GPC within one business day so the BO can meet the requirement to submit a report to the Level 4 A/OPC within five business days;

(16) maintaining the Servicing Bank's EAS purchase log throughout the billing cycle, reconciling all transactions, and approving the statement of account within three business days of the end of the billing cycle;

(17) maintaining a manual purchase log if the electronic purchase log is not accessible;

(18) ensuring adequate funding is available prior to the purchase;

(19) properly allocating the transactions to the proper line of accounting;

(20) checking with the Property Book Officer to determine what is considered pilferable property to be recorded in the property control systems records or which items can be placed on a hand receipt;

(21) ensuring all pilferable and other vulnerable property receipts are provided to the supporting Property Book Officer (PBO) within five working days to enable the PBO to establish accountability and asset-safeguarding controls by recording the asset in the property control system records;

(22) notifying the BO prior to departure, when you will be on leave or travel and will not be available to promptly sign and forward the CH statement of account. Forward all sales receipts and credit vouchers to the BO; and,

(23) providing to the BO upon departure the disposition of CH records and transfer all CH records to the BO with all statements, supporting documentation, receipts, logs.

1-9. Management of the GPC Program

a. Responsibility for the establishment and operation of an agency's GPC program is delegated to the agency's Principal Assistant Responsible for Contracting (PARC). The PARC, or in activities that do not have a PARC, the Chief of the Contracting Office (CCO), will designate a Level 3 A/OPC and an alternate(s) who will be dedicated to the GPC Program within their agency/organization. The PARC or CCO will forward the Level 3 A/OPC designee name to the Level 2 A/OPC to setup the Level 3 designation with the servicing bank. PARCs will ensure that adequate resources are dedicated to the GPC program within their agency/organization to ensure successful management of the program. Adequate GPC resources refer to an agency's efficient and effective deployment of assets (such as number of personnel, training, funding, facilities, knowledge and skills, etc.) when and where needed to meet agency requirements in compliance with the laws and regulations governing the GPC Program. Adequate resources must be deployed to reasonably ensure that programs achieve their intended results; resources are used consistent with agency mission; programs and resources are protected from fraud, waste, and mismanagement; laws and regulations are followed; and reliable and timely information is obtained, maintained, reported and used for decision making.

b. Only individuals who meet the following criteria may be appointed as Level 3 or 4 A/OPCs for the GPC Program; GPC knowledge, training, and experience, basic contracting knowledge and/or acquisition training. The Defense Acquisition Workforce Improvement Act (DAWIA) requires the Department of Defense to establish education

and training standards, requirements, and courses for the civilian and military workforce. DAWIA contracting certification includes a training, education, and experience requirement. Level 4 A/OPCs should be DAWIA Level II certified in contracting. Level 4 A/OPCs that are not DAWIA Level 2 certified in contracting have 24 months to complete the training requirement. This requirement is immediately effective upon appointment of all A/OPCs. Although the Level 3 A/OPC position typically warrants a minimum equivalent grade of GS-13 or higher grade, the A/OPC Level 3 and 4 grades will depend on the responsibilities, complexity, and volume of the program. The A/OPC and all alternates must receive training in the GPC program. Army activities will establish any training requirements for A/OPCs not listed in these procedures.

c. The PARC management responsibility authority for the GPC Program is further delegated to the Chief of the Contracting Office (CCO). The CCO will also ensure that adequate resources are dedicated to the GPC program within their installation/activity to allow effective administration of the program. The CCO will also coordinate with the local personnel office(s) to ensure procedures are established that will require individuals involved in the GPC Program to clear through the Level 4 A/OPC when they out-process from the installation. The Level 4 A/OPC will be appointed at a sufficient grade/rank to exercise their authority depending on the responsibilities, complexity, and volume of the program. Only individuals who meet the criteria in paragraphs 1-9(b) and (d) may be appointed as A/OPCs for the GPC Program:

d. The Level 3 and 4 A/OPCs must have the following knowledge, skills, and abilities:

- (1) An understanding of the relevant policies, procedures, and commercial contracting practices;
- (2) The ability to communicate, organize, and manage effectively;
- (3) Basic analytical and computer skills;
- (4) An understanding of the relevant procurement laws and regulations, procurement methods and standards, and what constitutes and authorized GPC purchase; and
- (5) The ability to analyze, research, and provide concise recommendations to the chain of command on required actions to anticipate, prevent, or correct problems in business processes that are supported by the GPC.

e. **Resource Managers** will fund GPC purchases using the General Fund Enterprise Business System (GFEBS), and in the case of organizations on legacy systems, continue to use the “bulk” method in lieu of creating and citing unique accounting classifications for each individual GPC purchase. The bulk funding method requires a periodic (monthly, bimonthly, quarterly, or annually) fund reservation, through obligation, equal to the anticipated purchases for that period. Bulk funds may be assigned as a single line of accounting to each CH account to cover anticipated GPC purchases for a specified period. The Resource Manager’s duties:

- (1) coordinating GPC funding and spending limits with the BO and Level 4 A/OPC (i.e., assignment of credit and cycle limits);

- (2) establishing funding for each account, at either the CH or BO level; non-applicable to U.S. Army Corps of Engineers;
- (3) assisting the Level 4 A/OPC in establishing & maintaining BO and CH accounts in the Servicing Bank's EAS; non-applicable to U.S. Army Corps of Engineers;
- (4) assigning default and alternate lines of accounting as appropriate;
- (5) ensuring obligations are posted prior to the submittal of an invoice - if responsible for non-EDI accounts;
- (6) assisting with resolving accounts that are in a delinquent status and providing payment information when requested; and,
- (7) assisting the Level 4 A/OPC with the surveillance of assigned accounts.

f. Defense Finance and Accounting Service (DFAS) duties:

- (1) maintaining the DD Form 577 for certifying officials and check writers;
- (2) receiving and processing EDI transaction sets 821, Obligation Files; and 810, invoice files, and notifying the responsible installation or activity when the corresponding files are not received;
- (3) notifying the installation/activity, within one day, of rejects and interest penalties assessed to individual accounts (confirm-does this happen); and,
- (4) receiving and processing requests for manual payments; for example, bank system rejects and non-EDI accounts.

g. Property Book Officer duties:

- (1) Ensuring established property control and accountability procedures are developed and disseminated to all personnel who are entrusted with the acquisition of Army property and equipment;
- (2) Assisting the A/OPC in review of the purchase card account to ensure that property accountability procedures are being followed;
- (3) Compliance with accountability procedures in AR 710-2, AR 735-5;
- (4) Promptly record in agency property systems, sensitive and pilferable property purchased with the GPC;
- (5) Determining the accounting requirements for the GPC purchased property, such as nonexpendable or controlled (requires property to be accounted for on property book records), durable (requires control when issued to the user) and expendable (no requirement to account for on property book records).

Chapter 2: Establishing and Maintaining a GPC Account

2-1. Nomination, Selection, and Appointment of Cardholders and Billing Officials

a. Nomination, selection, and appointment of CHs and BOs will be in accordance with AFARS Part 5113. The nominating official should be in the supervisory chain of the individual being nominated - if not the reason must be documented. A/OPCs, CHs, BOs, and Checkwriters must be issued written authority identifying their limits of authority, duties, responsibilities, credit limits, and the written authority must reference mandatory compliance with the AFARS Subpart 5113.2 and the Army Government Purchase Card Operating Procedures. Warranted contracting officers do not require a separate delegation of authority to use the GPC.

b. BOs must successfully complete the required GPC and ethics training prior to being delegated BO authority.

c. The CH is also a Departmental Accountable Official (DAO) according to paragraph 3305 and 3306, Chapter 33, Volume 5, of the DOD FMR. CHs must successfully complete the required GPC and ethics training to be delegated micro-purchase authority prior to receiving a GPC. The PARC or COC may delegate in writing to the Level 3 or 4 A/OPC the authority to delegate micro-purchase authority to CHs. A sample delegation of micro-purchase authority is provided at Appendix F.

d. The BO is also a Certifying Officer within the context of the GPC program. The Certifying Officer's minimum qualifications and eligibility are further discussed in DOD FMR Volume 5, Chapter 33. BOs are responsible for the accuracy of payments, including designation of the proper appropriation(s) or other funds certified to the paying office and Disbursing Officer. BOs are financially responsible for any illegal, improper, or incorrect payment as a result of an inaccurate or misleading certification. To certify GPC invoices for payment by the Defense Finance and Accounting Service (DFAS), the BO must be appointed as and accept the responsibilities of a Certifying Officer using the DD Form 577. The BO completes the DD577 and provides to the A/OPC in order for the A/OPC to set up the BO account. The A/OPC provides the original completed DD Form 577 to the supporting DFAS, ATTN: GPC. The BO and A/OPC retain a copy.

2-2. Training Requirements

a. Individuals must complete: locally developed GPC training, mandatory web-based DAU DOD GPC Tutorial; and U.S. Bank Access Online web based training prior to being delegated purchase authority. Each Level 4 A/OPC is responsible for providing training to CHs and BOs. No exceptions or substitutions for this training are authorized. GPC accounts will not be established without formal request and proof of completed training provided to the A/OPC. At a minimum, the training for CHs and BOs will cover the following:

- (1) Army Purchase Card Program policies and procedures
- (2) CH and BO duties and responsibilities
- (3) CH and BO guides developed by the Servicing Bank
- (4) Procedures and techniques for the use of the Servicing Bank's EAS
- (5) Funding, billing, payment, and file documentation requirements
- (6) Property accountability procedures
- (7) Ethics Training
- (8) Required sources of supply
- (9) FAR/DFARS/AFARS coverage of simplified acquisition procedures
- (10) Record retention requirements
- (11) Prohibited items and items that require pre-approval for purchase
- (12) Dispute procedures
- (13) Cancellation and lost, stolen, or compromised card procedures
- (14) Convenience check usage
- (15) Oversight tools and techniques
- (16) Card Security
- (17) Emphasize consideration of small business concerns when making micro-purchases
- (18) Mandatory use of Office Supply BPAs located on DOD EMALL Army Corridor

b. A/OPCs will provide additional training, on simplified acquisitions procedures and required documentation, to CHs who will be given authority to place orders above the micro-purchase threshold against existing contracts (appointed as Ordering Officers), and for CHs outside the continental United States (OCONUS) who will have a single purchase limit in excess of \$3,000 but does not exceed \$25,000 (DFARS 213.301).

c. Biennial refresher training for all CHs and BOs can be accomplished locally by the Level 4 A/OPC or via the DAU GPC training course. This training must cover relevant changes as well as any special requests or needs of the group being trained. CHs and BOs who fail to complete biennial refresher training must have their GPC account suspended until training is completed. The PARC or the local GPC activity may require refresher training more frequently to satisfy their training or operational needs. The training requirement for CHs and BOs trained at a previous duty station may be abbreviated or waived, in writing, as determined by the current A/OPC.

d. All trainees must sign a statement of training certifying they have received the initial GPC program training, they understand the training provided, GPC program training materials have been provided or made available, and they understand the penalties associated with misuse of the card. Cardholders should keep a copy of the training certificate for future reference.

e. Level 4 A/OPCs should notify all participants in the GPC program of changes, as they occur, through the most efficient means (e.g. e-mail, newsletters, etc.).

f. Attendance at the annual GSA SmartPay Conference is mandatory for all Level 3 and 4 A/OPCs.

g. All GPC personnel will receive mandatory ethics training annually in accordance with AR 350-1 paragraph G-18 and DOD 5500.7-R, the Joint Ethics Regulation.

h. GSA developed and hosts an online training course for A/OPCs to help A/OPCs understand their role and responsibilities. To visit the Purchase Charge Card Online Training, go to the GSA SmartPay® website at <http://apps.fss.gsa.gov/webtraining/trainingdocs/aopctraining/index.cfm>. The servicing bank provides an A/OPC Guide available in hard copy and/or via the Internet.

i. Section 508 of the Rehabilitation Act (29 U.S.C 794d), as amended, requires that Federal agencies purchase and use electronic and information technology (EIT) that is accessible to people with disabilities and conforms to Section 508 standards. Visit <http://www.section508.gov/> for more information and Section 508 compliance training titled “Micro-purchases and Section 508” <http://www.section508.gov/index.cfm>. GSA developed several online and CD training modules that can be accessed at: <http://www.section508.gov/index.cfm?FuseAction=Content&ID=5>. The requiring activity must identify IT deliverables covered by Section 508 and then identify the applicable technical standards; functional performance criteria; and information, documentation and support that apply to each IT deliverable to produce products that conform to the accessibility standard.

2-3. Account Establishment

a. A GPC will be issued only as mission requirements dictate. Only DOD civilian employees and military personnel may be issued a GPC or be appointed a BO. GPCs must not be issued to contractor personnel, except as provided in Section 1-6. OCONUS, local national employees of the Army, and host Government direct hires for OCONUS agencies/organizations whose salaries are reimbursed by the Army, are not considered DOD contractors, and may be designated as CHs and BOs.

b. The spending limits and cycle limits can be changed as necessary to meet operational needs. The RM Office will establish the default and alternate lines of accounting for the proper designation of appropriation, and input the spending limits in AXOL.

c. Each GPC account has a single purchase transaction limit and monthly purchase limit. Generally the single purchase limit is the micro-purchase threshold. The cumulative spending total of all CHs’ monthly purchases make up the billing cycle limit for the BO. Total monthly purchases may not exceed the billing cycle limit that is established in the Servicing Bank’s transaction authorization system. The CH’s monthly spending limits are modified by the RM in AXOL when operational circumstances warrant. The A/OPC is notified of the monthly spending limits change, approves the change, and forwards the change to the servicing bank.

2-4. Account Maintenance

The Level 4 A/OPC is required to update account information upon notification of changes.

2-5. Liability of the Government Cardholders and Billing Officials

a. Use of the GPC by an authorized CH to make an unauthorized purchase is the liability of the Government. However, the installation/organization is responsible for taking appropriate action against the CH including efforts to recover the funds.

b. The intentional use of the GPC for other than official Government business may be considered an attempt to commit fraud against the U.S. Government. Misuse may result in immediate cancellation of an individual's card, financial liability, and negative administrative and/or disciplinary action against the CH and, if warranted, against the BO.

c. Liability: GPC BOs are personally and pecuniarily liable for the full amount of any improper payments resulting from misuse, abuse, or unauthorized purchases of the GPC, in accordance with Title 31 U.S.C. § 3528. Strict pecuniary liability attaches automatically when there is an erroneous (illegal, improper, or incorrect) payment. GPC CHs are pecuniarily liable for erroneous payments that result from the negligent performance of duties in the amount of erroneous payment, up to one month's pay. All accountable officials are required to comply with DOD regulations, policies, and procedures, including standard operating procedures. Failure to act in accordance with such regulations, policies, and procedures is generally considered evidence of negligence. Following orders from superiors that are contrary to regulations, policies, and procedures, is no defense to negligence or bad faith. A heavy workload or a lack of experience, supervision, or training, is not a factor in determining relief from liability.

d. Statutory authority: Any misuse of the GPC is subject to criminal, civil, Uniform Code of Military Justice, administrative, and disciplinary actions as appropriate.

(1) CHs are defined under the DOD FMR as a Departmental Accountable Official. As such, CHs are liable for up to one month's pay for misuse resulting from their negligent actions. DOD Directive 7000.14-R imposes financial liability for negligent performance of the CH's duties. The FMR Vol. 5, Chapter 33, §3309 also discusses pecuniary liability. Accountable Officials shall be personally and pecuniarily liable for erroneous payments that result from the negligent performance of duties in the amount of the erroneous payment, up to one month's pay.

(2) BOs: Title 31 U.S.C. §3528 provides for personal and pecuniary liability for improper payments resulting from misuse/abuse of the purchase card for Certifying Officials. The GPC BO meets the definition for Certifying Officer in the DOD FMR. The BO is financially liable for improper payments resulting from misuse or abuse of the

GPC. The act of certifying a billing statement for payment makes the BO financially responsible for illegal, improper, or incorrect payment due to an inaccurate or misleading certification. Consequently, a BO who knowingly makes a false certification may be asked to repay the Government for the items or service purchased. If a BO is unsure about certification, he/she should contact the supporting Level 4 A/OPC for guidance and/or assistance.

e. **INVESTIGATION REQUIRED:** When a review/audit of the GPC account indicates questionable purchases, to include unauthorized purchases, the reviewer must ask the Certifying Officer for justification. If there is no justification, the reviewer must notify the BO's Commander or Director. The Commander or Director must conduct an investigation in accordance with AR 15-6. The investigation must provide the DOD employee or military member with an opportunity to rebut the presumed liability. Failure to follow regulation and policy constitutes negligence.

2-6. Card Suspension Policy

a. In accordance with DOD business practices, when any of the following conditions exist the Servicing Bank will automatically suspend BO accounts.

(1) When a BO's account goes over 60 days past due (90 days after the billing date), that BO's account, and those of all assigned CHs within the account, will be suspended until the delinquent payment posts at the Servicing Bank.

(2) When a BO's account goes over 180 days past due (210 days after the billing date) all accounts assigned under the respective Level 4 A/OPC will be suspended.

(3) When a BO's account has more than 20 open Card and/or checking accounts, the BO's account will be suspended unless a waiver has been approved by the Army Level 2 A/OPC.

b. Only the Army Level 2 A/OPC may reopen accounts that have been suspended before the cause of the suspension has been corrected. Before reopening accounts that have been closed due to delinquent payments, the Level 3 A/OPC must document that payments have been made to the Servicing Bank to clear the delinquencies. Accounts will be closed permanently if more than two suspensions occur within a 12-month period. Only the Army Level 2 A/OPC may approve waivers to this policy.

2-7. Card Security

CHs are responsible for properly using and safeguarding their GPCs. Only the CHs can make purchases using their GPC.

Chapter 3: Operational Guidance and Procedures

3-1. Making Purchase Transactions

a. Requiring activities must perform acquisition planning to identify procurement needs and initiate procurement actions with sufficient lead time to buy appropriate products at the right price from the right suppliers in a timely manner. Requirements and logistics personnel should avoid issuing requirements on an urgent basis or with unrealistic delivery or performance schedules, since it generally restricts competition and increases prices.

b. Cardholders (CHs) should consider small businesses, to the maximum extent practicable, when making micro-purchases to increase small business participation when using the GPC below the micro-purchase threshold.

c. Purchase requirements exceeding the micro-purchase threshold must be referred to a contracting office for formal contracting action. Splitting requirements into smaller parts to avoid formal contracting procedures; competition requirements; or to keep spending limitations under the micro-purchase threshold is prohibited. GPC micro-purchases should be distributed equitably among qualified suppliers, in accordance with FAR 13.202(a)(1), with special consideration paid to supporting local, small, and small disadvantaged businesses. When purchasing from FSSs and BPAs, cardholders must review prices on at least three contracts/agreements unless it is a competitively awarded BPA and select the best value item for their requirements.

d. CHs who receive authorization and training from their Level 4 A/OPC may use the GPC to make commercial purchases up to \$25,000 if the CH making the purchase is located outside the United States and the purchase is for use outside the United States. CH's must use mandatory sources identified in this regulation (e.g. FAR Part 8, DOD EMALL for office supplies), before deciding to use outside commercial vendors. For the use of the GPC outside the United States, CHs must follow policy in accordance with DFARS 213.301(2).

e. OCONUS Units. For CONUS purchases for use overseas, the CH must contact their local Director of Logistics Traffic Management Office for assistance regarding transportation and packaging requirements and/or instructions prior to contacting the vendor. CHs must ensure the final price includes all costs associated with the mode of transportation and packaging selected to the destination country; customs import duties; and any other charges that may accrue. Consult DOD Directive 4500.54-E, DOD Foreign Clearance Program (FCP) prior to the requisitioning action to ensure compliance with host nation customs requirements.

f. The GPC may be used as a method of payment (MOP) for simplified acquisitions and contracts in accordance with DFARS 213.301, AFARS 5113.202-90 and 5113.270-90. An individual authorized as an Army ordering officer, and other designated contracting personnel may use the purchase card as a method of payment up to the limit

as identified in the contract; under the supervision of the contracting officer or from Army contracts that, by their terms, expressly allow Army ordering officers to place orders and pay with the GPC as identified in AFARS 5113.202-90. Contract payment cards may not be used as a general use GPC.

g. Federal Procurement Data System – Next Generation (FPDS). Agencies are responsible for collecting and reporting Army procurement data to FPDS as required by FAR Subpart 4.6. The requirements for reporting GPC actions to the FPDS is contained in DPAP memo dated 26 October 2010, and DFARS PGI Part 204.6.

h. CHs may place orders online via the Internet if authorized by their internal agency procedures to do so. When making online purchases, CHs will take appropriate measures to safeguard their account numbers at all times and ensure they are purchasing on a secure Web site.

3-2. Use of the GPC for Training and Education

a. The GPC shall be used by Training and Education Office personnel, and may be used by CHs, to pay for commercial off-the-shelf training and education up to \$25,000 for an individual or planned series of the same training event, activity, or course material - AFARS 5113.270(g). Training cards are dedicated solely for this purpose only.

b. As a general rule, the process of requesting, selecting, approving, and purchasing training valued up to and including \$25,000 as a single purchase is exempt from formal contracting and acquisition procedures if it meets the definitions of "**commercial**" and "**off-the-shelf**" (5 USC 4105, AR 690-400, Chapter 410, Subchapter 3-11i).

c. The Standard Form (SF)-182 (Request, Authorization, Agreement, Certification of Training and Reimbursement) remains the authorized and required source document to purchase training not subject to contracting procedures, and to initiate requests to establish Education Service Agreements.

d. Training cards will be established with a single purchase limit of \$25,000. Use of the GPC above the training micro-purchase level of \$25,000 constitutes a payment mechanism, not a contracting method. Any use of the GPC above \$25,000 as a payment method for commercial services must have a valid underlying contract which payment can be made using the GPC. Training cards will have all merchant category codes (MCCs) blocked except the following sources of training:

7392 - Management, Consulting and Public Relations Services

7399 - Business Services (Not Elsewhere Classified)

8220 - Colleges, universities, junior colleges, and other professional schools

8241 - Correspondence schools

8244 - All business/secondary schools

8249 - Vocational/trade schools

8299 - Schools and Education Services (Not Elsewhere Classified)

3-3. Use of the GPC for Military Tuition Assistance

The GPC shall be used for the payment of military tuition assistance invoices. DD Form 2171, Request for Tuition Assistance (TA), provides financial assistance for voluntary off duty education programs in support of soldiers professional and personal self development. Advance payments are authorized under the TA Program in accordance with AR 621-5. All course enrollments must be approved prior to start of class. Soldiers must request TA through www.GoArmyEd.com, prior to the course start date or before the school's late registration period.

3-4. Reimbursement of Training Expenses

Commanders at all levels must insure that the Government's interests are protected when an employee fails to complete training for which the Army pays all or part of the training expenses. (This includes both Government and non-Government training.)

a. Government training. If an employee fails to complete training satisfactorily, one of the following actions will be taken:

(1) If failure is due to the employee's negligence or willful misconduct, disciplinary action will be taken.

(2) If failure is for reasons beyond the employee's control (such as illness or recall by proper authority), no action will be taken.

b. Non-Government training.

(1) If an activity pays for training only when the training is completed or requires the employee to share the training costs, the activity will fully inform the employee in advance. In some cases, this information may be included in the continued service agreement. (Training must still be approved in advance.)

(2) If an employee fails to complete non-Government training satisfactorily, actions in (a) or (b) below will be taken. Employees will be advised in writing of these requirements before the training starts.

(a) If the failure to complete training is due to the employee's negligence or willful misconduct, he or she will repay training expenses other than salary costs. If appropriate, disciplinary action will be taken.

(b) If failure is for reasons beyond the employee's control, no action will be taken.

3-5. Required Sources of Supplies and Services

a. Specific guidance on use of required sources and order of precedence of sources is prescribed in FAR, Part 8, and DFARS, Part 208, e.g., National Industries for the Blind

(NIB), National Industries for the Severely Disabled (NISH), Federal Prison Industries (a.k.a. UNICOR), and FSS/GSA schedule requirements. In addition to those mandatory sources listed in FAR Part 8, cardholders should strongly consider using small and small disadvantaged businesses whenever possible.

b. The AbilityOne Program is a mandatory source of supply, with any payment method and at any dollar value, in compliance with the Javits-Wagner-O'Day Act, (41 U.S.C. §46-48c). The AbilityOne Program's mandatory status remains in effect for all purchases-including those under the micro-purchase threshold. Although AbilityOne.com offers the largest and newest inventory of AbilityOne products, you may also purchase AbilityOne items through a number of other distribution channels such as the DOD EMALL Army Corridor and your installation Base Supply Centers.

c. Green procurement is the purchase of environmentally preferable products and services (see FAR 23.202, 23.403, and 23.703). The Army Green Procurement Policy Memorandum, dated 22 Nov 06, established the Army Green Procurement Program policy that "All Army personnel will comply with green procurement requirements to facilitate attainment of the DOD goal of 100% compliance with mandatory Federal purchasing preference programs (see AR 70-1). The Army Green Procurement Guide dated August 2006 provides an overview of the Federal procurement preference programs and guidance on implementing an effective Green Procurement Program (GPP) including A/OPC and cardholder responsibilities. This guidance is intended to facilitate compliance by installations and facilities within the continental United States with Federal laws and regulations as well as DOD and Army policies. Installations and facilities outside the continental United States are encouraged to follow this guidance to the extent practicable.

- (1) Training on GPP requirements should be conducted when cards are issued and on a recurring basis to provide updates and remind buyers of responsibilities and procedures. The Level 3/4 A/OPC should ensure that initial card training includes a module on green procurement, particularly the mandatory GPP requirements. Green procurement training is available from sources found in the Army Green Procurement Guide.
- (2) The Level 4 A/OPC and billing officials are responsible for annual surveillance to ensure cardholders are meeting GPC program requirements, including GPP compliance.
- (3) Cardholders must show preference to recycled content and biobased products whenever they are cost effective and meet technical requirements. Installations will consider environmental factors in all purchasing decisions and contract actions, and will give preference to those products and services designated by or recommended in Federal green purchasing preference programs. When conditions apply for repetitive purchases of the same item, an annual blanket determination, approved by the commander/director or their designee may be maintained by the cardholder.

- (4) Per the National Defense Authorization Act of 1998, as of January 1, 2004, paper purchased using the GPC must be 50% post-consumer recycled paper. If 50% post-consumer recycled paper is not available for purchase, then as an alternative to meeting the standards for all printing and writing papers, the minimum content standard shall be no less than 50% recovered materials.
- (5) Acquisition of EPA-designated items that do not meet the EPA minimum recovered material standards must be justified in writing if over the micro-purchase threshold. A written determination must cite one or more of the following reasons and be maintained by the cardholder for exemption from recovered material standards:
 - (a) Items containing EPA-recommended recovered content standards are not available within a reasonable period of time.
 - (b) Items are only available at an unreasonable price. Include sufficient information to support price decision.
 - (c) Items are not available from a sufficient number of sources to maintain a satisfactory level of competition. Include list of sources queried.
 - (d) Items based upon technical verification fail to meet performance standards or specifications.

3-6. Separation of Duties

a. OMB standards for internal controls require that key duties and responsibilities be divided or segregated among individuals to ensure they do not exceed or abuse their assigned authority - OMB Circular A -123, Appendix B Revised, paragraph 4.3. Separation of duties is an internal control activity, intended to provide checks and balances to the GPC process, to prevent or minimize innocent errors or intentional fraud occurring without detection. This is done by ensuring that no single individual has control over multiple phases of a purchase card transaction. To protect the integrity of the procurement process, no one person will be responsible for an entire purchase card transaction. Key purchase card functions must be handled by different individuals. Inadequate separation of duties could allow errors and fraud to occur without detection. Key duties, such as making purchases-CH, authorizing payments-BO, certifying funding-RM, and reviewing transactions-Level 4 A/OPCs and PBOs) must be assigned to different individuals in order to minimize the risk of loss to the Government to the greatest extent possible.

b. If resource constraints prevent assignment of the key duties set forth in paragraph (a) above to different individuals, the activity will request a waiver through the Level 4 A/OPC and the Chief of the Contracting Office to the Level 3 A/OPC for approval. The status of these situations will be reviewed by the Level 4 A/OPC to the Level 3 A/OPC during his or her annual compliance review and may warrant additional surveillance.

c. Notwithstanding the above-described waiver process, certain key duties must not be assigned to the same individual. In no case shall the same individual be the CH and the BO for a GPC account. In no case shall the CCO, Property Book Officer, or any Level 4 A/OPC (primary or alternate) also be a CH, BO or contracting officer who is making contract payments with a GPC or executing GPC purchases. It is highly recommended that a CH, who is also a hand receipt holder, not purchase property for their own use.

3-7. Span of Control

a. Span of control refers to the extent of oversight and review responsibilities placed on a single A/OPC or BO. An appropriate span of control must efficiently and effectively allow the A/OPC or BO to provide reasonable assurance they can effectively perform their responsibilities regardless of the number of accounts assigned. The Army standard for span of control for a Level 4 A/OPC is 300 accounts. This number includes both BO and CH accounts. When the number of accounts assigned to a particular Level 4 A/OPC exceeds the Army standard or the workload complexity of the GPC administration, monitoring and oversight is excessive for an A/OPC's span of control with less than 300 accounts, the PARC and the CCO will ensure adequate resources are made available to allow the Level 4 A/OPC's successful performance of his or her duties. When the span of control exceeds the Army standard by more than 10 percent and the CCO elects not to provide additional resources, the CCO will provide the PARC with formal documentation stating that the CCO has personally reviewed the existing span of control and has determined that it is adequate to ensure program administration and surveillance can be performed at a satisfactory level. The Level 3 A/OPC must retain copies of this documentation.

b. A BO cannot perform his or her duties if too many CH accounts have been assigned. The BO must review CH activities in depth every month. This is a time consuming task. Therefore, a ratio of not more than seven CH accounts to one BO is the Army Standard. This ratio still applies to BOs with multiple accounts. When the ratio for CH accounts to BOs exceeds the Army standard, the BO shall prepare a request for a waiver to policy. The approval levels for waivers are indicated in paragraph 3-7e. The total number of transactions as well as the number of assigned CH accounts, must be considered when determining an acceptable card and/or checking account-to-BO ratio.

c. The BO will complete his or her review of assigned CH monthly statements and certify the invoice for payment within five business days following the end of the billing cycle (15 days for accounts that have not been EDI enabled).

d. Upon the nomination and approval of a prospective CH and during the annual compliance review of BO accounts, Level 4 A/OPCs will determine whether the span of control is acceptable—that is, whether the BO can reasonably be expected to complete a thorough review of all transactions and certify the invoice within five business days of its receipt.

e. The Level 4 A/OPC will document all cases where the CH-to-Billing Official ratio exceeds the Army standard. In these cases the BO must prepare a request for a waiver to policy. The request must address the unique conditions that affect the process and show, with a high degree of certainty, that the BO can be expected to comply with the review and certification procedures. The request will include the number and location of assigned CHs, the total average number of transactions made by the CHs, the amount of time the BO can devote to the certification process, the history of delinquencies, and other factors that seem appropriate. The waiver will be approved at the appropriate level as indicated below and will be maintained by the approver with copies furnished to the BO:

- (1) 8–10 CHs accounts: Through the Level 4 A/OPC to the CCO.
- (2) 11–19 CHs accounts: Through the A/OPC (Level 4 and Level 3) to the PARC.
- (3) 20 or more CHs accounts: Through the A/OPC (Level 4, Level 3, to the Level 2).

3-8. Tax-Exempt Status

For purchases within the United States, the CH will inform the merchant that the purchase is for official U.S. Government purposes and, therefore, is not subject to state or local sales tax. The GPC is embossed with the statement “U.S. GOVT TAX EXEMPT” and the CH will point this statement out to any merchant that attempts to apply taxes to a purchase. In some tax jurisdictions, it may be necessary for the CH to provide a tax-exempt number if requested by the merchant ([state tax letters](#)). State tax letters can be found at the following website:

<http://apps.fas.gsa.gov/services/gsa-smartpay/taxletter/letters08.cfm>. Read the applicable [state tax letter](#) from the GSA website to determine how that state will treat the card for tax purposes. The state tax letters identify any tax exemption certification that may be required. CHs are responsible to ensure no sales tax has been included in their purchase, except where applicable.

The Federal Government Tax Exemption Information	
Tax Exempt	Not Tax Exempt
Sales Tax	Certain federal and state excise taxes
Federal communications and highway vehicle users tax – FAR 29.203	If you pay for a service, you may pay the tax on labor only for work that is performed in that state. (e.g. New Mexico Gross Receipts Tax (NMGRT))
	The commissary surcharge is a federally mandated charge
	Overseas purchases are not exempt from foreign taxes unless foreign tax agreements so specify
	Tax exemption does not apply at the point of sale for any fuel purchases

3-9. Property Accountability

All personnel who are entrusted with the acquisition of Government property are responsible for its proper custody, safekeeping, and accountability in accordance with AR 710-2 and AR 735-5. BOs shall ensure all accountable items are placed on a hand receipt. Level 4 A/OPCs, in coordination with local Property Book Officers, will ensure installation-specific training is provided to CHs on property accountability procedures. Abuse or repeated non-compliance with property accountability procedures will be grounds to suspend GPC accounts until assurances are obtained that property accountability documents are made current and established procedures will be followed in the future.

3-10. Statement Reconciliation and Certification

a. The CH reconciles the statement of account throughout the month by reviewing it for accuracy and comparing it with his or her purchase log entries. If the statement is correct, the CH approves it within three business days from the end of the billing cycle. If the statement is not correct, the CH must contact the merchant and request correction. If the merchant will not cooperate and either process a correcting transaction or provide ordered goods and services, the CH must dispute the incorrect transaction.

b. The BO must ensure GPC transactions are legal, proper, and correct in accordance with Government rules and regulations. If the billing statement is correct following the BO's review throughout the month, certification of the Billing Statement is done within five business days from the end of the billing cycle. If the BO finds questionable transactions, the CH must be contacted to review supporting documentation. If the BO determines the CH is negligent, appropriate action must be taken in accordance with DOD and Army policy. The Level 4 A/OPC should be consulted in such matters.

c. **Receipt and Acceptance.** The cardholder will ensure receipt and acceptance of goods, services, and accountable (to include sensitive, classified, and pilferable) property purchased is properly performed and confirmed through proper documentation by an individual other than the cardholder. The date received, along with the signature (or electronic alternative when supported by appropriate internal controls), printed name, telephone number, and office designator or address of the receiving official will be recorded on the sales invoice, packing slip, bill of lading, or other shipping or receiving document as confirmation of receipt. The billing official will verify the existence of receipt and acceptance documentation during reconciliation of the billing statement. Cardholders must timely notify the property accountability official of pilferable, sensitive, or high valued property obtained with the purchase card, in accordance with established property accountability policy.

3-11. Confirm and Pay

a. The Army certifies invoices for payment after all purchased items have been confirmed. This procedure has been called "Confirm and Pay". Each BO will establish a

system to flag and track all transactions that have been certified for payment with proof of receipt and acceptance. This procedure will ensure that all transactions that have been reconciled and approved for payment will have receipt verified.

b. Under the following condition, the Army has adopted the following process in order to allow the servicing bank to be paid for items that have been shipped by the merchant but not received by the organization to prevent withholding payment of the entire billing statement for a few transactions. Each BO will establish a system to flag and track all transactions that have been certified for payment without proof of receipt and acceptance. This procedure will ensure that all transactions that have been reconciled and approved for payment will have receipt verified no later than 45 days after the date of the original invoice. If receipt and acceptance cannot be verified, the CH shall protect the Government's rights by disputing the transaction prior to the end of the dispute period.

3-12. File Retention

a. The approving or certifying official will maintain certified billing statements and supporting documents for 6 years and 3 months in accordance with National Archives and Records Administration (NARA), General Records Schedule (GRS) 6, "Accountable Officers' Accounts Records". See DOD FMR Volume 15, Chapter 6 for additional information on document retention for accountable officers' records (10 years from the date of case closure for Foreign Military Sales).

b. All financial records, both paper and electronic, documenting GPC transactions must be retained in the file including (1) the BO statement, (2) the CH statement, and (3) all original receipts and documentation for those statements.

c. Receipts are considered supporting documents for the certified billing statement and in accordance with the DOD FMR, Volume 1, Chapter 9, must be retained for six years and three months after final payment. Original receipts are preferred; however, printed electronic forms or copies of an itemized receipt are acceptable. The receipt must be legible; itemized or detail the goods - item description, quantity, price, and extended price; indicate vendor's name and address; date of the purchase; and must indicate paid by credit card or zero amount due. The BO will maintain these records, either physically in his/her physical possession, or when appropriate transfer to a records holding area. However, if certifying electronically, the CH and BO may rely on the servicing bank recordkeeping for the BO and CH statements. Original records are the property of the U.S. Government and may not be removed from government control by the BO for any reason.

d. Level 4 A/OPCs shall retain file documentation for Government credit card files documenting application for cards and approval; account maintenance; letters of GPC delegation (CH or BO); ethics certification (if applicable); required training certifications; results of annual reviews; and related information for three years after the fiscal year in which the card account is cancelled.

e. Documents received and/or generated by the cardholder to support transactions shall be retained for six years three months after final payment. Data residing in the Bank's electronic access system is maintained by the Bank for six years and three months. Reports may be retrieved from the Bank's electronic access system for up to the previous two years. Reports covering data for periods beyond the previous two years are available from the Bank upon request.

3-13. Convenience Checks and Foreign Draft Checks

a. Convenience checks and foreign draft checks (FDCs) provide activities with the flexibility to issue checks for payment of supplies and services. With the exception of contingencies, convenience checks shall not be written over the micro purchase threshold. Convenience checks are issued for domestic purchases valued in U.S. dollars when the merchant will not accept the GPC. DOD activities have the flexibility to issue convenience checks to pay for products and services at the activity level. FDCs are issued for overseas purchases valued in foreign currency when the merchant will not accept the GPC. The following requirements apply to one or both of these financial instruments as specified.

b. The CH shall not use a convenience check or FDC unless its use is considered advantageous to the activity after evaluating all alternative methods of purchase. Convenience checks and FDCs may not be used to avoid the normal GPC payment process. Before a check is issued, the paying agency must make every effort to use the GPC, including making maximum efforts to find and use merchants that accept the GPC. The authority to maintain a checkbook shall be justified on an individual organization basis and controlled and monitored by the organization's CCO. The number of checkbooks per installation must be kept to a minimum. A delegation of procurement authority will be granted in writing by the Chief of the Contracting Office, for the maintenance and use of convenience checks.

c. Convenience checkbook accounts are available only to organizations that maintain active GPC accounts in good standing. A convenience checkbook holder may have a GPC account and a separate convenience checkbook account. Convenience checks are pre-numbered, and their use is controlled with a separate convenience check purchase log for each account. Checkbook holder shall maintain original voided checks.

d. Convenience checks and FDCs may not be issued for more than the micro-purchase threshold (or the foreign currency equivalent) per check and will be issued for the exact payment amount. In the case of an FDC, the payment amount will include the administrative processing fee. However, in the case of convenience checks, the payment amount will not include the administrative processing fee. The convenience check processing fee will be added by the servicing bank during processing of the transaction, and the addition of the processing fee is not considered a split requirement. "Splitting" payment amounts across more than one convenience check or FDC to keep the purchase amount per check below the micro-purchase threshold limit is prohibited. Convenience checks and FDCs will not be issued as an "exchange-for-cash" vehicle to establish cash

funds. If merchants issue credit or refunds by cash or check, the funds must be immediately credited to the account against which the purchase was originally made.

e. Billing/Certifying Officers for convenience check and FDC accounts accept financial liability for payments made using these accounts. The intentional use of the Convenience Checks or FDC for other than official Government business may be considered an attempt to commit fraud against the U.S. Government. Misuse may result in immediate cancellation of an individual's Convenience Checking Account/FDC account, financial liability, and negative administrative and/or disciplinary action against the CH and, if warranted, against the BO.

f. Convenience checks and FDCs are negotiable instruments and must be stored in a locked container, such as a safe or locking filing cabinet. Checks will be accounted for appropriately to prevent loss, theft, or potential forgery. Convenience check and FDC accounts must be reviewed quarterly by a disinterested party and not the A/OPC. The checks will be reconciled just as other GPC transactions, as a part of the monthly statement billing cycle. Copies of voided checks must be retained through the carbon copy or photocopy the original check as a part of the account-holder's original documentation files.

g. The same purchase prohibitions that apply to the GPC apply to the convenience check and the FDC.

h. The normal dispute process associated with the GPC is not applicable to convenience checks and FDCs. Any concerns over a purchase made with a check must be resolved directly with the merchant. The check writer is solely responsible for securing credit or disputing purchases with the merchant. Each organization is responsible for all checks written on an account; unless it is determined fraud is involved (see Section 4-5 on fraud). In some cases, payment can be stopped on a convenience check that has been written if the check has not yet been posted to an account. To stop payment on a check, the check-writer must call the Servicing Bank's Customer Service Department to receive instructions on processing the action.

i. FDC accounts are established in the contracting office. Customer activities desiring FDC accounts outside the contracting office must justify, in writing, to the CCO why an account is necessary.

j. Installation Commanders or Activity Directors will appoint personnel as BOs, cashiers (check writers), and custodians of FDC accounts. Any U.S. Government employee—military or civilian—including local national employees, may be selected for appointment. Contractors working for the Army may not be selected for appointment.

k. FDC BOs, cashiers, and custodians must receive standard GPC training prior to being issued active FDC accounts.

l. The check cashier is the only person who has the authority to issue and sign checks. He or she may hold a GPC account in addition to the convenience check FDC account, as long as the accounts are maintained separately.

m. The check custodian orders, receives, stores, issues, inventories, reconciles, and disposes of FDC stock. He or she will not be responsible for approving and processing requirements for check writing.

n. The BO authorizes and certifies the issuance of FDCs written by the cashier. In order to maintain effective internal controls, the BO may not perform the check-writing and maintenance functions of the cashier and custodian. All convenience checks and FDCs must be reconciled as a part of the monthly billing statement at the end of the billing cycle.

o. Establishing Convenience Check Accounts. Requests to establish convenience check accounts must be justified in writing by the organization's commander/director and forwarded to the Level 4 A/OPC. If approved, a delegation of procurement authority will be granted in writing by the Chief of the Contracting Office, for the maintenance and use of convenience checks. Required information must consist of the following:

- (1) Reason for requesting checks
- (2) Types of vendors check will be written to
- (3) Estimated dollar amount of checks intended to be written within a 12-month period
- (4) Single and monthly purchase limits
- (5) Check writer's complete name, office name, address, e-mail, phone/fax number

p. Use of Convenience Check Accounts.

(1) Convenience checks may be used for small purchases, when supplies or service are available for delivery within 15 days whether at the contractor's place of business or at destination. Convenience checks must not be used for employee reimbursements, cash advances, cash awards, travel-related transportation payments, or meals. Purchases made with the check must not require detailed specifications or an inspection report.

(2) Convenience checks may be used for purposes not related to small purchases when such expenditures are authorized by other regulations such as:

- (a) Delivery charges associated with the purchases made with a convenience check when the contractor is requesting to arrange delivery. These charges include local delivery, parcel post including cash on delivery (COD) postal charges, and line haul or inter-city transportation charges, provided the charges are determined in the best interest of the Government.
- (b) C.O.D. charges for supplies ordered for payment with a convenience check upon delivery.
- (c) Metro transportation passes or tokens.

q. Prohibited Purchases. See Appendix C for a more complete list.

- (1) Payment of salaries and wages.
- (2) Travel advances or any other advances.
- (3) Payment of travel claims.
- (4) Purchase from contractors or contractor's agents who are military personnel or civilian employees of the Government.
- (5) Repetitive purchases from the same contractor when another method of purchase, (i.e. GPC, BPA) would be appropriate. Repetitive micro purchases are prohibited under the following circumstances:

- (a) purchases that greatly exceed the micro purchase limit without rotating sources;
- (b) filling anticipated repetitive needs where a BPA, instead of separate micro purchases, could result in lower costs;
- (c) split purchases to avoid formal contracting procedures;
- (d) splitting requirements solely to keep the purchase under the micro-purchase threshold; and
- (e) ongoing repetitive services that in total exceed the micro purchase limit per year. The best solution is to obtain contractual coverage for the service through the contracting office. A requirement cannot be reduced into smaller parts to avoid formal contracting procedures.

r. Tax Reporting - The 1099-Tax Reporting Process (TRP) was developed to collect Convenience Checks written for services, rent, medical and health care services and other Internal Revenue Service (IRS) requirements. This data will be used to process IRS 1099-MISC forms. The BO is responsible to monitor the check writer's compliance with 1099-TRP.

(1) Convenience Check Holders must submit check data to DFAS on any checks they issue for tax reportable categories. This should be done throughout the year and is suggested to be completed monthly, and can be done on-line once the check writer and their corresponding A/OPC officially request access to the 1099-TRP. The 1099-TRP is restricted to authorized users only. Access is optional for the BO, but may be necessary to fulfill the BO's responsibility to ensure the check writer is in compliant with 1099-TRP.

(2) 1099-TRP System Access: To obtain access, users must complete two system access forms, DD form 2875 and DD form 2869. The link to access the System Access Request Forms is: <https://dfas4dod.dfas.mil/systems/1099/>. Carefully follow the instructions for completing the forms. All check writers and A/OPCs must complete both forms. Fax completed forms to 614-693-5452 or Defense Switched Network (DSN) 869-5452, or scan and email them to cco.checks@dfas.mil. Prior to accessing the 1099-TRP, all users should read the Convenience Check User's Manual.

3-14. Office Supply Blanket Purchase Agreements (BPAs)

The Office Supply BPAs are mandatory for all purchases of office supplies. The Office Supply BPAs can be accessed through the Army Corridor of the DOD EMALL site: <https://dod-EMAIL.dla.mil/acct/>. The primary goals of the Office Supply BPAs are to ensure that office product purchases are in compliance with the statutory preferences afforded to products manufactured under the AbilityOne Program, capture economies of scale, and realize significant savings while providing opportunities for small business. See the Deputy Assistant Secretary of the Army (Procurement) memorandum dated 31 October, 2011 for further guidance on purchasing office supplies.

Chapter 4: Program Oversight and Reviews

4-1. Monitoring and Surveillance

a. Level 3 A/OPCs must provide semi-annual reports (due April 21st and October 21st) to the Army Level 2 A/OPC which provides the results of the surveillance programs for their prospective organization. In addition to reporting on waivers, delinquencies, and inactivity, each report will list the number of BO accounts that were inspected in the two previous fiscal-year quarters, the method of compliance review (hands-on or other), the total number of transactions that were reviewed, the number of formal reports issued to the CCO, a summary of significant findings (such as systemic problems, gross abuse by an individual, or fraud) that were included in these reports, and a summary of adverse actions, if applicable, (type and number) against the individuals responsible for the significant findings. The report will also identify examples of exceptional GPC programs or performance.

b. Level 4 A/OPCs will annually inspect 100% of Billing Official accounts to include a minimum of a representative, randomly selected sample of transactions of each BO account.

c. Convenience check and FDC accounts shall be reviewed quarterly by a disinterested party and not the BO of the convenience check account or A/OPC.

4-2. Internal Reviews

a. Activities shall conduct a formal internal control evaluation of their organizations' GPC programs at least once every five years. They must certify that they have completed this evaluation by preparing and signing DA Form 11-2-R "Internal Control Evaluation Certification Statement". A copy must also be provided to the Chief of the Contracting Office. Appendix D provides an agency/organization compliance checklist.

b. Heads of Activities should conduct a program review as an assessment tool prior to signing annual assurance statements.

4-3. Suspected Fraud or Abuse

a. All Government employees must prevent the loss of taxpayer money by preventing fraud and the conditions that lead to it. All instances of suspected fraud or abuse must be reported. Various channels of reporting include the Chain of Command, the A/OPC, the command's procurement fraud advisor (Staff/Command Judge Advocate), the servicing Criminal Investigation Division office, internal review organizations, and Inspector Generals at all levels.

b. The following may be indicators of possible fraud, waste, or abuse:

- (1) Repetitive buys from the same merchant.
- (2) Lack of documentation for a purchase.
- (3) Failure to safeguard cards and account numbers.
- (4) CHs/BO authorizing the use of their cards by others.
- (5) Inadequate oversight by BOs and agencies.
- (6) Unauthorized purchases.
- (7) Payments made for items not received.
- (8) Split purchases to avoid spending limitations.
- (9) Lack of accounting for items requiring accountability as determined by the supporting Property Book Officer.
- (10) Payment delinquencies incurring interest penalties.
- (11) Approval of a CH's statement of account by someone other than the CH or BO (or alternate).
- (12) CHs returning merchandise to merchants for store credit vouchers instead of having credits issued back to their GPC accounts.

4-4. Violation of Army GPC Procedures

If, as a result of findings from a surveillance visit, or by any other means, the A/OPC discovers a CH or BO has violated GPC procedures, the A/OPC shall document the violation and take action to resolve the noncompliance to include, if necessary, retraining of the CH or BO and/or temporarily suspending the CH or BO's GPC privileges. Any determinations to cancel or permanently suspend a CH or BO account shall be made by the Level 2 A/OPC, CCO or designee (e.g. Level 3 or 4 A/OPC), and their findings forwarded to the CH or BO's supervisor. Continual violation of GPC procedures by an individual CH or BO shall result in termination of GPC privileges. A/OPCs shall verify that all potentially fraudulent and erroneous transactions that have been identified are disputed and properly resolved. Evidence of deliberate abuse shall be referred to the CH's and/or BO's commander by the chief of the contracting office for appropriate action in accordance with the Uniform Code of Military Justice or civilian disciplinary rules. Evidence of fraud or other criminal activity shall be referred, by the commander/chief of the contracting office, to the appropriate investigative body (e.g. Office of the Inspector General (OIG), Army Audit Agency (AAA)) or other investigative body for a follow up investigation. The violation and action taken shall be documented in the A/OPC's files.

Appendix A: Best Practices

1. Account Establishment

a. Only those personnel with a continuing need to use the GPC will be appointed CHs. BOs will advise the Level 4 A/OPC when CHs no longer have a continuing need or will transfer to other duties or organizations, retire, or leave Government service. BOs will confirm in writing that the actual cards assigned to these individuals were returned and destroyed. During the annual review of a BO's account, the BO will advise/recommend to the Level 4 A/OPC whether, based on mission requirements and purchase history, a continuing need for the GPC is justified for each assigned CH.

b. The Level 4 A/OPC will review and approve the spending limits the resource manager (RM) assigned to the CHs, and forward to the bank the approved spending limits and merchant codes based on a reasonable estimation of what the CH needs to buy as part of the activity mission and function (RM setup for BOs/CHs in EAS). The spending limits and cycle limits must be set at a level commensurate with historical spending, anticipated requirements, and available funding of the activity or organization. Limits should not be based on unlikely contingencies.

2. Account Maintenance

The Level 4 A/OPC is required to update account information upon notification of changes in a CH's name (following marriage), address, spending limits (only RMs must promptly report lost, stolen, or compromised cards to the Servicing Bank's Customer Service Center, BO, and Level 4 A/OPC. The Servicing Bank must immediately block the account from accepting additional charges.

3. Card Security

CHs must take appropriate precautions comparable to those taken to secure personal checks, credit cards, or cash. CHs must maintain physical security of the card to preclude compromise. The card should never be surrendered unless it is going to be cancelled. Additionally, the account number should not be released to other than the vendor processing the transaction. The card is not to be used as a company card (e.g. if the CH is to be away, someone in the office, who is not the authorized CH, borrows the CH card and makes purchases using the card). This is prohibited. Only the CHs can make purchases using their GPC.

4. AbilityOne Program

The AbilityOne Program strives to ensure that its products are priced within the "fair market" range. Obtaining a commercial product at a lower price than an AbilityOne product is not a valid reason to circumvent the AbilityOne Program mandate. If you feel the AbilityOne product is priced significantly higher than a commercial item, you should contact the AbilityOne Program for guidance. AbilityOne does not offer a general-use,

white, 8.5 x 11 copy paper. AbilityOne's copy paper is for letterhead application and is archival quality. Since AbilityOne is not a mandatory source for a general-use paper, you don't need a waiver from AbilityOne for the purchase of general-use copy paper.

5. Property Accountability

Local procedures should emphasize pre-purchase approvals and documentation subsequent to purchase. In rare situations where scarce human resources and operation readiness dictates, a Property Book Officer (PBO) may be appointed as a CH or BO, but to ensure separation of duties, PBOs that are also BOs or CHs may not purchase items they will use requiring property accountability. Property Book Officers or their representatives should assist Level 4 A/OPCs in their reviews of BOs and CHs to ensure that property accountability procedures are being followed. The reviewing Level 4 A/OPC will provide formal reports of non-compliance to the local head of agency.

6. Contingency Operations

a. Active component units deploying in support of contingency operations should take their locally issued GPCs with them to use while deployed. Prior to deployment, coordinate with the Contracting Activity that has contracting authority in the contingency area to see if there are special requirements for using the GPC while deployed in the Area of Responsibility (AOR), and ensure the cards' lines of accounting are properly funded. If after coordination with the contracting authority for the deployed area it is determined that the deploying units will not take their cards, these accounts must be temporarily suspended by the A/OPC, upon notification from the BO, during the period of deployment. If GPCs are authorized while deployed, the local RM will make appropriate adjustments to lines of accounting, EDI flags and routers, and additional information to be entered in the Servicing Bank's EAS, and the BO will notify the A/OPC in writing. GPCs OCONUS will be managed to meet program requirements of the issuing agency.

b. For Reserve Units and National Guard: Mobilizing Reservists may use their GPC once they arrive at the Mobilization (MOB) station. The reserve issued GPC shall no longer be used. The Reserve A/OPC will deactivate the mobilized soldier's GPC account at this point, through temporary closure or termination. The gaining activity in the contingency operation area will determine if a soldier will require a GPC. If it is determined that the mobilized Reservist will require a GPC, the unit's command will identify the FORSCOM home station responsible for its issuance. All GPC accounts (CH and BO) for mobilized Reservists will be managed by the FORSCOM home station installation A/OPC to which the contingency unit is assigned. Cards are to be used in theater for mission essential requirements only. The A/OPC will provide a GPC CH worksheet to assist the CH with contingency purchases.

7. Prohibited Purchases and Restrictions on GPC Use

Each CH is authorized to buy necessary supplies and services provided there is adequate funding, the items are purchased at a reasonable price, and are not prohibited.

Appendix C provides general rules regarding prohibited purchases. In most cases, Appendix C should allow the CH to determine whether a particular buy is appropriate. This list is not all-inclusive and should be supplemented by ACOM and installation GPC standard operating procedures, as necessary. In addition to the items listed in Appendix C, CHs should obtain pre-purchase approval and documentation for requirements that appear to be outside the normal needs of the requesting organization. This documentation must address the bona fide need for the item being acquired. CHs must ensure that all purchases are properly documented, and that necessary approvals are obtained prior to making the purchase.

8. Merchant category Code Blocks and Overrides

a. The banking community has established a code system to categorize merchants by the goods and services they provide. These MCCs are used within the Servicing Bank's card processing system to authorize or decline purchase transactions based on controls established for each GPC account.

b. Based on their MCCs, various classes of merchants have been blocked from doing business with the Army through the GPC. These merchants have identified themselves as specializing in certain products or services that are not authorized for official purchases with the GPC. The unauthorized MCCs are:

- (1) 4829 – Wire Transfer/Money Orders
- (2) 5932 – Antique Shops
- (3) 5933 – Pawn Shops
- (4) 5937 – Antique Reproductions
- (5) 5944 – Jewelry Stores
- (6) 5960 – Direct Marketing Insurance
- (7) 6010 – Financial Institutions: Manual Cash Advance
- (8) 6011 – Financial Institutions: Automatic Cash Advance
- (9) 6012 – Financial Institutions: Merchandise and Services
- (10) 6051 – Non-Financial Institutions: Foreign Currency, Money Orders, and Travelers Checks
- (11) 6211 – Security Brokers/Dealers
- (12) 6760 – Savings Bonds
- (13) 7012 – Timeshares
- (14) 7273 – Dating and Escort Services
- (15) 7995 – Betting, Casino Gaming Chips, and Off-Track Betting
- (16) 8651 – Political Organizations
- (17) 9211 – Court Costs, Alimony, and Child Support
- (18) 9222 – Fines
- (19) 9223 – Bail and Bond Payments
- (20) 9311 – Tax Payments
- (21) 9700 – Automated Referral Service

c. A merchant that has been blocked may still sell items that are authorized for purchase with the GPC. If a CH determines that he or she must make a purchase from a source that has been blocked because of its assigned MCC, the following procedures will apply. The request to override a merchant's blocked MCC must be prepared by the BO of the CH who wants to make the purchase. The request must contain the name and masked account number (show only the last 10 digits of the account number) of the CH, a description of the item(s) to be purchased, the merchant's exact name and address, the MCC that must be overridden, the estimated dollar amount of the purchase, the estimated date of the purchase, and a description of efforts to locate a source other than the merchant with the blocked MCC. In addition, the request must specify the need for the particular requirement (for example, a special magnifying glass, available only from a jewelry store, needed to examine circuit card wiring).

d. The request will be routed through the appropriate Level 4 A/OPC to the Level 3 A/OPC for approval. Approvals will be granted on a transaction-by-transaction basis. This process will not allow recurring purchases from a restricted merchant. If the request is approved, the Level 4 A/OPC will contact the Servicing Bank to have the specific transaction approved from the restricted merchant. The CH will then have five days to make the purchase. At the time of purchase, the CH will advise the merchant to call the Servicing Bank's Customer Service Department and provide the following information:

- (2) GPC number, CH name and billing address.
- (3) GPC expiration date.
- (4) Purchase amount.
- (5) Advise that this transaction has been coordinated through the Army Level 4 A/OPC.

9. Monitoring and Surveillance

a. Monitoring and surveillance of the GPC program are shared responsibilities. All stakeholders in the program, including RMs, PBOs, and local audit and oversight organizations, have a part in ensuring that the GPC is used in the proper manner and only authorized and necessary official purchases are made. The Servicing Bank's EAS gives all A/OPCs and RMs the capability to electronically review CH transaction details on a daily basis. This tool must be used to maintain the highest level of visibility over this program.

b. Level 4 A/OPCs will annually inspect 100% of Billing Officials and a representative, randomly selected sample of transactions of each BO account. Hands-on compliance reviews are preferred, but alternative methods are allowable. The Level 4 A/OPCs will review the selected transactions to verify that the BOs and CHs are following correct procedures and processes. The Level 4 A/OPCs are encouraged to include participation from representatives of the local Resource Management Office as well as other local oversight organizations in their surveillance programs. At a minimum, these reviews will address compliance with formal GPC purchase and payment procedures, appropriateness of spending limits, span of control, and property

accountability. Review guidelines and checklists are provided in Appendix D. Additionally, The A/OPC will utilize the surveillance tools in the servicing bank's EAS.

c. The A/OPC will perform an annual review of the ongoing need for existing cards and make a determination to cancel or allow unused cards to remain open. Cards with no activity for more than 6 months should be cancelled or the continued need documented. An annual review of credit limits on each CH account will be performed and credit limits adjusted based on an analysis of individual CH expected usage or past spending patterns.

10. Metrics and Reporting

There are many reports available through the Servicing Bank's EAS that will assist all A/OPCs in the management and oversight of the GPC program. In addition to reviewing these reports, A/OPCs at all levels should collect and maintain certain metrics that will be used to assess the performance of their program. These include:

- (1) Metrics listed in OMB Circular A-123 Appendix B Chapter 5.3
- (2) Army Level 2 A/OPC reporting requirements listed in Appendix G.
- (3) Span of control ratios for accounts listed under the A/OPC and BO.
- (4) Data mining reports available through the Servicing Bank's EAS which focus on purchase card activity for indications of potentially fraudulent, improper, or questionable purchases.
- (5) The number and dollar amount of transactions.
- (6) GPC centralized training database – monitor adherence to GPC program training requirements.
- (7) Annually assess relevancy and appropriateness of GPC training.
- (8) Financial Controls – at a minimum every 6 months monitor and assess single and monthly purchase limits.
- (9) File Retention – annually review A/OPC files for up-to-date delegation letters for BOs and CHs; corrective action plans; documentation for application for cards and approvals; account maintenance; ethics certification; required training certifications; and results of annual reviews.
- (10) Succession Planning – at a minimum annually assess available resources/workforce to ensure continuity of needed skills and abilities at a grade level commensurate with responsibilities to perform and fulfill GPC duties and responsibilities.
- (11) Payment delinquencies. The Army goal is to pay all accounts on time. Level 4 A/OPCs who have a history of more than 5 percent of BO accounts delinquent during four or more billing cycles in the reporting period must report, on a semi-annual basis to their Level 3 A/OPCs, what corrective actions they have taken to improve payments. Delinquencies as a percentage of the outstanding balance due also should be tracked.
- (12) The reporting for purchases for special operations or contingency operations (such as Hurricane Katrina). American Recovery and Reinvestment Act (ARRA) funding may also be used with the GPC. The CH must keep track of ARRA funding purchases through choosing the selection in the drop-down list in EAS.
- (13) A/OPC Matrix of internal control weaknesses resulting from the annual reviews of the BOs and CHs.

Appendix B: References

Section 1

Required Publications [Per DA Pamphlet (PAM) 25-40, a *required* publication is one that the user needs to read in order to understand or comply with the publication being written.]

- a. Army Regulation (AR) 11-2, Manager's Internal Control Program.
- b. AFARS 5113.202-90 -- Purchase guidelines.
- c. AR 710-2, Supply Policy Below the National Level
- d. AR 735-5, Policies and Procedures for Property Accountability
- e. FAR 8, Required Sources of Supplies and Services.
- f. FAR 13.301, Government-wide Commercial Purchase Card.
- g. DFARS 208, Required Sources of Supplies and Services.
- h. DFARS 213.301, Simplified Acquisition Methods.
- i. DOD Directive 7000.14-R, DOD Accountable Officials and Certifying Officers.
- j. DOD FMR, Volume 5—Disbursing Policy and Procedures, Chapter 33—Accountable Officials and Certifying Officers; also Paragraph 3308.
- k. DOD FMR, Volume 10, Ch. 23, "Purchase Card Payments"
- l. DOD FMR Vol. 10, Ch. 23, Annex 1, "Purchase Card Certification Statements"
- m. DOD FMR Vol. 10, Ch. 2, "Discount Offers and Rebates/Refunds"
- n. AR 25-1 and DA PAM 25-1-1 designate Computer Hardware, Enterprise Software and Solutions (CHESS) as the primary source for the purchase of COTS software, desktops, and notebook computers regardless of dollar value.
 - o. DOD Government Charge Card Guidebook for Establishing and Managing Purchase, Travel, and Fuel Card Programs (DOD Guidebook)
 - p. OMB Circular No. A-123, Appendix B Revised

Section 2

Related Publications [Per DA PAM 25-40, a *related* reference informs the reader of a source of additional information.]

- a. AR 37-47, Representation Funds of the Secretary of the Army.
- b. AR 725-50, Requisition, Receipt, and Issue System.
- c. DOD Charge Card Task Force Final Report, June 27, 2002.
- d. DOD, "Department of Defense (DOD Charge Card Programs," Policy Memorandum (Paul Wolfowitz, June 21, 2002)
- e. DOD, "Disciplinary Guidelines for Misuse of Government Charge Cards by Military Personnel," Policy Memorandum (David Chu, June 10, 2003)
- f. DOD, "Government Charge Card Disciplinary Guide for Civilian Employees," Policy Memorandum (Ginger Groeber, April 21, 2003)
- g. DOD, "Guidance for the Investigation of Fraud, Waste, and Abuse Involving the Use of Purchase Cards and Travel Cards," Policy Memorandum (Joseph Schmitz, September 25, 2002).
- h. DOD, "Inclusion on Personnel Departure Checklists of the Requirement to Turn in Government Charge Cards," Policy Memorandum (David Chu, June 23, 2003)

- i. DOD, “Suspension of Access to Classified Information Due to Abuse or Misuse of Government Charge Cards,” Policy Memorandum (John Stenbit, November 4, 2002)
- j. Executive Order 12931, Federal Procurement Reform, October 13, 1993.
- k. FAR 2.101, Definitions.
- l. FAR 4.805, Storage, Handling, and Disposal of Contract Files.
- m. FAR 52.232-25, Prompt Payment.
- n. Federal Acquisition Streamlining Act of 1994, P.L. 103-355, Title IV—Simplified Acquisition Threshold, Subtitle D—Micro-Purchase Procedures.
- o. Government Accountability Office (GAO), Audit Guide: Auditing and Investigating the Internal Controls of GPC Programs, November 2003. GAO Report Number GAO-04-87G.
- p. GAO, General Accounting Office Policy and Procedures Manual for Guidance of Federal Agencies.
- q. GAO, Appropriations Law, Volume I, Nature of Appropriations Law
- r. GSA SmartPay master contract, Section CC.8, Authorization Controls for the Purchase Card Program.
- s. OSD Memo for Secretaries of the Military Departments Attn: Acquisition Executives Directors of the Defense Agencies: Subject: Internal Controls for the Purchase Card Program, 19 Dec 2005
- t. Management Initiative Decision No. 904, DOD Charge Card Management, December 18, 2002.
- u. Office of the Assistant Secretary of the Army Financial Management and Comptroller Memorandum, Foreign Draft Checks, February 4, 1998.
- v. Office of the Under Secretary of Defense, “Acquisition Policy on Facilitating Merchant Shipments in the DOD Organic Distribution System,” Memo July 23, 2003.
- w. Office of the Under Secretary of Defense (Comptroller), “Purchase Card Reengineering Implementation Memorandum #1, Certifying Officer Guidance, Change 1,” Memorandum.
- x. Treasury Financial Manual, Volume 1, Part 4, Chapter 4500—Government Purchase Cards.
- y. U.S. Army Non-Appropriated Fund Instrumentalities Standing Operating Procedure, Purchase Card and Convenience Checks, 22 June 2004
- z. U.S.C., Title 5, §5514, Withholding Pay – Installment Deduction for Indebtedness to the United States
 - aa. U.S.C., Title 10, §2302b, Implementation of Simplified Acquisition Procedures
 - bb. U.S.C., Title 10, §2304, Contracts: Competition Requirements, note Requirements Relating to Micro-Purchases
 - cc. U.S.C., Title 10, Chapter 47, Uniform Code of Military Justice.
 - dd. U.S.C., Title 18, §208, Acts Affecting a Personal Financial Interest.
 - ee. U.S.C., Title 18, §287, False, Fictitious, or Fraudulent Claims.
 - ff. U.S.C., Title 18, §371, Conspiracy to Commit Offense or to Defraud United States.
 - gg. U.S.C., Title 18, §641, Public Money, Property, or Records.
 - hh. U.S.C., Title 18, §1001, Fraud and False Statements—Statements or Entries Generally.
 - ii. U.S.C., Title 18, §1031, Major Fraud against the United States.
 - jj. U.S.C., Title 18, §1341, Frauds and Swindles.

- kk. U.S.C., Title 18, §1343, Fraud by Wire, Radio, or Television.
- ll. U.S.C., Title 31, §3528, Responsibilities and Relief from Liability of Certifying Officials.
- mm. U.S.C., Title 31, §3729, False Claims.
- nn. U.S.C., Title 31, §3801, Administrative Remedies for False Claims and Statements—Definitions.
- oo. USC, Title 37, §1007, Pay and Allowances of the Uniformed Services – Deductions from Pay
- pp. U.S.C., Title 41, §51 to 58, Anti-Kickback Act of 1986
- qq. U.S.C., Title 41, §427, Simplified Acquisition Procedures
- rr. U.S.C., Title 41, §428, Procedures Applicable to Purchases Below Micro-purchase Threshold

Appendix C: Prohibited Purchases

This section identifies transactions that are prohibited. CHs should first contact local authorities (e.g., the local judge advocate general attorney, resource manager, Level 3 or Level 4 A/OPC) prior to purchasing any items that seem questionable or may have the appearance of being inappropriate. Contact the Level 2 A/OPC through the ASAALT central mailbox for further guidance if necessary. The following list, which is not all-inclusive, identifies some services and supplies that are prohibited from purchase with the GPC (this list also applies to convenience checks):

- a. Items purchased for other than official Government use.
- b. Making purchases and returning them to the merchant for cash or merchant credit slips.
- c. Procurements above the micro purchase threshold. Use of the GPC as a procurement method is prohibited. Use of the GPC as the payment method after the contract is procured is permissible.
- d. Cash advances, including money orders and travelers' checks.
- e. Gift certificates and gift cards are also considered to be cash advances and will not be purchased with the GPC, even to obtain items from merchants that do not accept the GPC.
- f. Long-term lease of land and buildings: Use of the GPC to lease real property (i.e., land and/or buildings) for a term longer than 30 days is prohibited.
- g. Repair of leased GSA vehicles: Use of the GPC to purchase repairs on GSA fleet-operated vehicles is prohibited.
- h. Vehicle-related expenses: Vehicle-related expenses are to be paid with the travel or fleet cards (as appropriate).
- i. Telecommunication systems: The purchase of major telecommunications systems, such as the Federal Telecommunications System or DSN system, is prohibited.
- j. Fines: Use of the GPC to settle a commercial or governmental fine is prohibited.
- k. Auto Insurance: Use of the GPC to purchase auto insurance for government-owned vehicles is prohibited. Government-owned vehicles are insured by the government.
- l. Aircraft fuel and oil.
- m. Vehicle fuel is prohibited. Limited exception: (1) the purchase card may be used for fuel for special purpose vehicles such as a fork lift, tractor, lawn mower, etc., and (2) the purchase card may be used for fuel for vehicles rented 30 days or less for official purposes.
- n. Wire transfers.
- o. Training Vouchers for Prepayment of Training (charging the GPC to reserve training slots prior to establishing the legitimate government need and requirement)
- p. Requirements submitted for purchase after the fact.
- q. Savings bonds.
- p. Foreign currency.
- q. Coins not in compliance with DA Memo 600-70. Coins may be procured with operating funds and presented pursuant to the following authorities: Recognition for accomplishments, award of trophies (10 USC 1125), and Agency Awards (5 USC 4503).

- r. Dating and escort services.
- s. Betting, casino gaming chips, and off-track betting.
- t. Court costs, alimony, and child support.
- u. Bail and bond payments.
- v. Tax payments. *i.e.* personal taxes
- w. Payment of salaries and wages.
- x. Airline, bus, or travel-related expenses.
- y. Travel advances.
- z. Payment of travel claim.
- aa. Purchases of Explosives, Munitions, Toxins, and Firearms. This specifically includes weapons (and parts), small arms, and ammunition.
- bb. Purchases from contractors or contractor agents who are military personnel or civilian employees of the Government.
- cc. Non-rotation of sources by making repetitive purchases with the same merchant or contractor when other sources are available.
- dd. Split purchases (FAR 13.003(c) (1)). The requirement is the quantity known at the time of the buy. If an individual purchases as [s]he becomes aware of a requirement, the requirement is each. If the person consolidates purchases and buys once a day, the requirement becomes what was received during the day. Splitting is the intentional breaking down of a known requirement to stay within a cardholders single purchase limit to avoid other procurement methods or competition requirements. Examples of Split Purchases or Split Requirements include the following:
 - (1) A single CH making multiple purchases from the same merchant on the same day, the total of which exceeds the single purchase limit and the total requirement was known at the time of the first purchase.
 - (2) A single CH purchasing the same/similar item(s) from multiple merchants on the same day, the total of which exceeds the single purchase limit and the total was known at the time of the first purchase.
 - (3) A single CH making multiple purchases of similar items from the same or multiple merchants over a period of time when the total requirement was known at time of the first purchase and the value exceeds the single purchase limit.
 - (4) Multiple CHs under the same supervision or billing official purchasing the same/similar item(s) the same day or in a compressed timeframe when the total requirement is known at a given time and exceeds the single purchase limit.
 - (5) Requirements exceeding the micro-purchase threshold. (e.g. yearly requirement where the monthly recurring services are less than the micro-purchase threshold but the known yearly total exceed the micro-purchase threshold.)

Appendix D: Internal Control Checklist and Review Guidelines

Function: The function covered by this checklist is the administration of the Purchase Card Program.

Purpose: The purpose of this checklist is to assist commanders and managers in the field in evaluating the key internal controls outlined below. It is not intended to cover all controls.

Instructions: Answers must be based on the actual testing of key internal controls (e.g., document analysis, direct observation, sampling, simulation, and other). Answers that indicate deficiencies must be explained and corrective action indicated in supporting documentation. These key internal controls must be formally evaluated at least once every five years. Certification that this evaluation has been conducted must be accomplished on DA Form 11-2R (Internal Control Evaluation Certification Statement).

Section I

Test Questions

1. Does the BO have a letter of appointment, which designates him/her as a BO?
2. Has the BO received required training and is the training documented for initial purchase card, refresher training, and ethics training?
3. Is the BO's supervisor(s) a CH in any of the BO's accounts?
4. Does the BO review each of their CH's statements each month?
5. Does the BO certify and process the monthly billing statement within five business days of the end of the billing cycle?
6. Does the BO promptly notify the A/OPC when a CH departs, retires, or otherwise no longer needs a card?
7. Has the BO notified the A/OPC of any lost/stolen cards within five business days of the loss/theft?
8. If the BO also manages a Convenience Check account, are quarterly surveillance reviews conducted?
9. Have any Convenience Checks, on accounts under supervision of the BO, been written for more than \$3,000 for supplies, \$2,500 for services, or \$2,000 for construction?
10. Has the BO notified the Installation A/OPC of any CH/check writer account procedures violations discovered?
11. Is the BO in receipt of bulk funding authorization, or been notified by the RM of funding requirements? Does the BO coordinate card dollar limits with the installation A/OPC and installation RM when CH accounts are established?
12. Does the BO maintain original supporting documentation for closed CH/check writer accounts IAW FAR 4.805?
13. Does the BO coordinate with the Property Book Office to verify that all purchased accountable property has been properly documented?

Appendix D: Internal Control Checklist and Review Guidelines

Section 1

Test Questions (continued)

14. Has the BO been formally appointed as a Certifying Officer, and has the DD Form 577 been completed and submitted to DFAS?
15. Did the BO comply with procedures covering deployment of CHs?
16. How many CHs under the BO were reviewed by the A/OPC as a part of this annual review?
17. Has an adequate CH to BO ratio been maintained?
18. What is the percentage of randomly selected transactions that were reviewed of the total number of transactions for the review period?
19. Does the BO ensure CHs under non-EDI accounts maintain purchase logs?
20. Does someone other than the CH sign for receipt of goods/services to provide independent receipt and acceptance?
21. Were sales taxes charged on purchases? If sales tax was charged, did the CH resolve the issue?
22. Was accountable property forwarded to the Accountable Property Officer to be recorded on property records?

Appendix D: Internal Control Checklist and Review Guidelines

Section 2

Review of CH/Check Writer Accounts – GPC Program

1. Does the CH have a letter delegating specified procurement authority from the CCO (or A/OPC if the CCO redelegated this authority to the A/OPC)?
2. Has the CH received initial training on Army procedures for using the GPC?
3. Has the CH received local training on Army procedures for using the GPC?
4. Has the CH received refresher-training on Army procedures for using the GPC?
5. Does the CH know and comply with their monthly spending limits?
6. If the CH is required to use both appropriated and non-appropriated funds, does he/she have separate cards for each type of funds?
7. Are all purchases under non-EDI accounts entered in the purchase log?
8. Does the CH obtain all required pre-purchase approvals and authorizations?
9. Are the CHs monthly spending limits commensurate with the requiring activities historical purchases?
10. Were any unauthorized purchases made by the CH? (If the answer is Yes, describe in "Comments" at the end of this review)
11. Did the CH allow others to use his/her card?
12. Did the CH comply with mandatory sources (e.g. FAR Part 8, Army CHESS)?
13. Did the CH rotate sources when placing repeat orders to the maximum extent reasonable or practicable?
14. Did the CH document all transactions that were posted to the Billing Statement but were not received and utilized by a tracking system to verify subsequent delivery?
15. Does the CH provide adequate supporting documentation to the BO to properly certify invoices?
16. Does the CH reconcile all transactions and approve the Statement of Account within three business days of the end of the cycle?
17. Does the CH follow the procedures for disputing transactions?
18. Does the BO routinely act on behalf of the CH during the review period?

Appendix D: Internal Control Checklist and Review Guidelines

Section 3

Review of Convenience Checks Accounts

1. Have any checks been issued for more than \$3,000 for supplies, \$2,500 for services, or \$2,000 for construction?
2. Does the check writer capture all necessary TD1099 data for IRS reporting?
3. Have any checks been written by someone other than the checking account holder?
4. Have checks been written for items to be delivered beyond 15 days?
5. Were checks written for any of the prohibited purchases?
6. If Stop Payment actions were processed against any check, was the \$25.00 charge deducted from available funds?
7. Does the check writer account for checks written but not processed by the bank when reconciling his/her account to assure adequate funds are available?
8. Has the check writer received training on the GPC procedures from the A/OPC?
9. Are checks stored in locked containers when not in use?
10. Are checking accounts reviewed quarterly by a duly appointed disinterested third party under the guidance of the local internal review activity?

SUPERSESSION. These checklists replaces the checklists for the Purchase Card Program previously published in AR 715-XX dated May 2, 2007.

COMMENTS. Help make this a better tool for evaluating internal controls. Submit comments to Headquarters, Department of the Army, Attn: SAAL-PB, 2800 Crystal Drive, Arlington, VA 22202 or by email: asaalt_apc@conus.army.mil.

Appendix E: DD Form 577 for Appointing a Certifying Officer

The DD Form 577 and instructions for completing the form can be found on the official website for Department of Defense forms at:

<http://www.dtic.mil/whs/directives/infomgt/forms/eforms/dd0577.pdf>

NOTE: Use the language in Block 14 and 15 in all DD Form 577s

APPOINTMENT/TERMINATION RECORD - AUTHORIZED SIGNATURE (Read Privacy Act Statement and Instructions before completing form.)		
PRIVACY ACT STATEMENT AUTHORITY: E.O. 9397, 31 U.S.C. Sections 3325, 3528, DoDFMR, 7000.14-R, Vol. 5. PRINCIPAL PURPOSE(S): To maintain a record of certifying and accountable officers' appointments, and termination of those appointments. The information will also be used for identification purposes associated with certification of documents and/or liability of public records and funds. ROUTINE USE(S): The information on this form may be disclosed as generally permitted under 5 U.S.C. Section 552a(b) of the Privacy Act of 1974, as amended. It may also be disclosed outside of the Department of Defense (DoD) to the Federal Reserve banks to verify authority of the accountable individual to issue Treasury checks. In addition, other Federal, State and local government agencies, which have identified a need to know, may obtain this information for the purpose(s) identified in the DoD Blanket Routine Uses published in the Federal Register. DISCLOSURE: Voluntary; however, failure to provide the requested information may preclude appointment.		
SECTION I - FROM: APPOINTING AUTHORITY		
1. NAME (First, Middle Initial, Last)	2. TITLE	3. DOD COMPONENT/ORGANIZATION
4. DATE (YYYYMMDD)	5. SIGNATURE	
SECTION II - TO: APPOINTEE		
6. NAME (First, Middle Initial, Last)	7. SSN	8. TITLE
9. DOD COMPONENT/ORGANIZATION	10. ADDRESS (Include ZIP Code)	
11. TELEPHONE NUMBER (Include Area Code)	12. EFFECTIVE DATE OF APPOINTMENT (YYYYMMDD)	
13. POSITION TO WHICH APPOINTED (X as applicable (one only))		
<input type="checkbox"/> DISBURSING OFFICER	<input type="checkbox"/> DEPUTY DISBURSING OFFICER	<input type="checkbox"/> DISBURSING AGENT
<input type="checkbox"/> PAYING AGENT	<input type="checkbox"/> CASHIER	<input type="checkbox"/> COLLECTION AGENT
<input type="checkbox"/> CHANGE FUND CUSTODIAN	<input type="checkbox"/> IMPREST FUND CASHIER	<input checked="" type="checkbox"/> CERTIFYING OFFICER
<input type="checkbox"/> DEPARTMENTAL ACCOUNTABLE OFFICIAL		
14. YOU ARE HEREBY APPOINTED TO SERVE IN THE CAPACITY IDENTIFIED IN ITEM 13. YOUR RESPONSIBILITIES INCLUDE: A. Ensure transactions are legal, proper, correct, and satisfy a bona fide need; retain adequate documentation; cardholders must reconcile all transactions with purchase log entries; ensure facts presented in documents for payment are complete and accurate to include designation of the proper funds; ensure all items and services have been received, ensure procedures in place for items or services not received by the next billing cycle are disputed within the designated dispute timeline; and ensure billing statement invoice transactions are reallocated to other accounting classifications, if necessary, prior to the actual certification of the invoice. B. Verify the line item detail on the invoices matches the amount certified for payment. Do not certify a known or suspected fraudulent transaction. C. Take appropriate action to prevent submission of duplicate invoices for the same transaction. D. Certify authorized transactions and forward the official invoice for timely payment processing. E. Follow agency procedures for addressing all fraudulent, improper, abusive, or questionable transactions.		
15. YOU ARE ADVISED TO REVIEW AND ADHERE TO THE FOLLOWING REGULATION(S) NEEDED TO ADEQUATELY PERFORM THE DUTIES TO WHICH YOU HAVE BEEN ASSIGNED: A. DOD Government Charge Card Guidebook B. DOD Financial Management Regulation Volume 10, Chapter 23 C. Army Federal Acquisition Regulation Supplement, Section 5113.2 D. Army Government Purchase Card Operating Procedures E. DOD FMR, Volume 5, Chapter 33, Certifying Officers, Departmental Accountable Officials, and Review Officials		
SECTION III - ACKNOWLEDGEMENT OF APPOINTMENT		
I acknowledge and accept the position and responsibilities defined above. I understand that I am strictly liable to the United States for all public funds under my control. I have been counseled on my pecuniary liability and have been given written operating instructions. I certify that my official signature is shown in item 17 below.		
16. PRINTED NAME (First, Middle Initial, Last)	17. SIGNATURE	
SECTION IV - TERMINATION OF APPOINTMENT		
The appointment of the individual named above is hereby revoked.		18. DATE (YYYYMMDD)
		19. APPOINTEE INITIALS
20. NAME OF APPOINTING AUTHORITY	21. TITLE	22. SIGNATURE

DD FORM 577, FEB 2011

PREVIOUS EDITION IS OBSOLETE.

Reset

Adobe Professional 8.0

Appendix F: Sample Cardholder Letter of Delegation of Procurement Authority

MEMORANDUM FOR CARDHOLDER NAME/ADDRESS (include level 5 number)

SUBJECT: Delegation of Procurement Authority to Use the Government Purchase Card (GPC)

1. You are advised to review and adhere to the following regulations needed to adequately perform the duties to which you have been assigned:
 - a. Army Government Purchase Card Operating Procedures
 - b. Army Federal Acquisition Regulation Supplement (AFARS), Part 5113.2 “Simplified Acquisition Procedures
 - c. Defense Federal Acquisition Regulation Supplement (DFARS) Part 213.301 “Government-wide Commercial Purchase Card”
 - d. Federal Acquisition Regulation (FAR), Part 13 “Simplified Acquisition Procedures”
 - e. Department of Defense (DOD) Financial Management Regulation (FMR) Vol. 10, Ch. 23, “Purchase Card Payments”
2. You are hereby delegated procurement authority as a GPC Program Cardholder. You have successfully completed the mandatory GPC training, and you are authorized to purchase supplies and non personal services using the purchase card. Your **single purchase limit** has been established at **\$3,000**. You cannot exceed this limit without written approval of your Agency/Organization Program Coordinator (A/OPC). These limits below are set by statutes and may not be exceeded:
 - a. Purchases of construction covered under the Davis Bacon Act (DBA) shall not exceed **\$2,000**.
 - b. Purchases of services covered under the Service Contract Act (SCA) shall not exceed **\$2,500**.
 - c. Purchases of services specifically exempted from the SCA such as training services, utility services, installation services, repair and maintenance services, etc. shall not exceed **\$3,000**. If you are uncertain whether the SCA applies to your purchase, you must contact your A/OPC for guidance prior to making the purchase.
 - d. Purchases of supplies shall not exceed **\$3,000**.
3. Monthly purchase limits must be established by the billing official in coordination with the resource manager/advisor designated to review the purchases. All purchases must satisfy a legitimate government need. The supplies and non-personal services you obtain with the GPC must be for official Government requirements and must be consistent with your assigned responsibilities and your card purchase limits, including commodity restrictions. This authorization does not exempt you from the requirement to obtain certain supplies from required sources of supply listed in Federal Acquisition Regulation (FAR) Part 8, or from other organizations that have been given exclusive contracting authority for that commodity or service. You are required to obtain any pre-

Appendix F: Sample Cardholder Letter of Delegation of Procurement Authority (continued)

purchase approval required by your organization's policy and also to ensure that all accountable property is reported to the Property Book Officer. You are responsible for all transactions made with this card. You alone are authorized to use this card. You will be subject to disciplinary action for misusing the government purchase card.

4. Disciplinary action, to include the reduction of spending limits or suspension or termination of your card privileges, will occur if violations are identified. This delegation is valid until it is formally modified, suspended or canceled, and shall automatically terminate upon separation from the agency or upon reassignment to another office within the agency.

5. For assistance please contact the undersigned at (phone number) or by e-mail at (email address). Thank you in advance for effectively managing an important Army purchasing program.

COC or designee (A/OPC)
Activity
Title

I HAVE REVIEWED THE ABOVE AND UNDERSTAND AND CONCUR WITH MY RESPONSIBILITIES IN CONNECTION WITH THE GPC PROGRAM

(SIGNATURE) (DATE)

Appendix F: Sample Billing Official Appointment Letter

MEMORANDUM FOR BILLING OFFICIAL NAME and Address

SUBJECT: Appointment as Primary Billing Official for the level 5 (number) Account Ending in (XXXX) for the (Activity) Government Purchase Card Program

1. You are advised to review and adhere to the following regulations needed to adequately perform the duties to which you have been assigned:
 - a. Army Government Purchase Card Operating Procedures
 - b. Army Federal Acquisition Regulation Supplement (AFARS), Part 5113.2 “Simplified Acquisition Procedures
 - c. Defense Federal Acquisition Regulation Supplement (DFARS) Part 213.301 “Government-wide Commercial Purchase Card”
 - d. Federal Acquisition Regulation (FAR), Part 13 “Simplified Acquisition Procedures”
 - e. Department of Defense (DOD) Financial Management Regulation (FMR) Vol. 10, Ch. 23, “Purchase Card Payments”
 - f. Section 3325 and 3528 of Title 31, United States Code
 - g. DoD Directive 7000.14R, DoD Departmental Accountable Officials and Certifying Officers
 - h. DoD FMR, Volume 5, Chapter 33, Certifying Officers, Departmental Accountable Officials, and Review Officials
2. You have successfully completed the mandatory training requirements, and occupy a position where your duties include the functions of a billing official/certifying official for (Activity’s) purchase card program. Therefore, in accordance with the references in paragraph 1, and pursuant to the authority vested in the undersigned, I hereby appoint you as a billing official for your agency cited above.
3. This account is for supplies, non-personal services, and training purchases in accordance with the mission of your agency. As the primary billing official, you will be responsible for certifying your cardholders’ purchases for payment to:

DFAS INDIANAPOLIS

4. Your appointment is effective upon your signature and will remain in effect until formally revoked in writing by the appointing official. Pre-purchase approval from you is required of your cardholders in accordance with the Army Government Purchase Card Operating Procedures and your local standard operating procedures. Property accountability must be reported to your Property Book Officer and Hand Receipt Holder.
5. Appointed certifying officers must complete an approved Certifying Officer Legislation training course within 2 weeks of their appointment and before actually

Appendix F: Sample Billing Official Appointment Letter (continued)

performing as certifying officers, and provide a printed copy of the course completion certificate to their supervisor, who may specify any of these sources of training:

- A. <http://www.dfas.mil/fastrac/coltraining.html>.
- B. https://fm.csd.disa.mil/kc/login/login.asp?kc_ident=kc0014&blnAccess=TRUE.
- C. <https://www.defensetravel.dod.mil/Passport>

6. As an individual involved in approving the spending of public funds, you are held to a high standard of responsibility and accountability. Be advised that billing officials have pecuniary liability for any illegal, improper, or incorrect payment processed by the organization as a result of any payment that is found to be illegal, improper or incorrect. You must become thoroughly familiar with your responsibilities and accountability. Non-compliance with applicable laws and regulations will result in suspension of your account.

7. By signature below you will acknowledge this appointment, and affirm that you have read and understand your responsibilities as described in the following references:

- a. Title 31, US Code, Section 3325, Vouchers
(<http://www4.law.cornell.edu/uscode/31/3325.html>)
- b. Title 31, US Code, Section 3528, Responsibilities and Relief from liability of certifying officials (<http://www4.law.cornell.edu/uscode/31/3528.html>)
- c. DoD Directive 7000.14R, DoD Departmental Accountable Officials and Certifying Officers (http://comptroller.defense.gov/fmr/12/12_19.pdf)
- d. DoD FMR, Volume 5, Chapter 33, Certifying Officers, Departmental Accountable Officials, and Review Officials
(http://comptroller.defense.gov/fmr/05/05_33.pdf)

8. Planning succession is crucial and required. When you process out, you must notify the A/OPC. Accounts without a primary and alternate billing official or have an alternate billing official without a primary billing official longer than 45 days will be suspended. Further, you must notify this office of any changes to your managing account so that your account can be brought up to date in a timely manner. NOTE: All nominations for account holders and changes to your current account must be submitted to your A/OPC.

9. Please promptly complete the following actions:

- a. Sign and date Enclosure 1, and return to this office.
- b. Complete a DD Form 577 (Encl 2), and submit to the DFAS office cited below and your A/OPC.

Appendix F: Sample Billing Official Appointment Letter (continued)

*DEFENSE FINANCE AND ACCOUNTING SERVICE
VENDOR PAY PRODUCT LINE
ATTN: DEPT 3275 (IMPAC/CARE)
8899 EAST 56TH STREET
INDIANAPOLIS, INDIANA 46249-3275*

- c. Retain a copy of all documents for your records for audit review purposes.
- 10. You are required to return your acknowledgement statement immediately upon signing and dating below.
- 11. Thank you in advance for ensuring the U.S. Army maintains a sound government purchase card program.

Installation Commander or Activity
Director
Activity
Title

ENCL DD Form 577

BILLING OFFICIAL/CERTIFYING OFFICER'S ACKNOWLEDGEMENT OF RECEIPT, UNDERSTANDING AND CONCURRENCE OF HIS/HER APPOINTMENT AND RESPONSIBILITIES:

By signature hereon, I acknowledge my appointment as a purchase card billing official/certifying officer. I have read and understand my responsibilities as cited above. I understand my right to request relief of liability for payments certified due to an inadvertent administrative error. I further understand that this appointment will remain in effect until revoked in writing by the appointing official (or his/her successor).

Attached is the completed DD Form(s) 577

(Insert Name) (Billing Official/Certifying Officer Signature) (Date)

Appendix G: Formal Reporting Requirements

1. Surveillance program results will be prepared by each Level 3 A/OPC and provided to the Army Level 2 A/OPC no later than April 21st and October 21st. The report will identify data collected during the two previous quarters of the fiscal year.
2. A list of the number of waivers to the Army Standard Span of Control that have been requested (broken down to CH to BO, 300 accounts per Level 4 A/OPC, and so on), and the disposition of these requests, will be reported.
3. Level 3 A/OPCs will submit a summary of the corrective actions taken by the Level 4 A/OPC to reduce the number of delinquent accounts. In subsequent reports, the Level 4 A/OPC will advise the results of the corrective actions.
4. Level 3 A/OPCs will also outline routine reviews of their program, identifying compliance reviews, reports, adverse actions, and exceptional activities.
5. See the sample report format below.

Department of the Army Government Purchase Card (GPC) Program

Semi-Annual Surveillance Report

Report _____ for Fiscal Year _____

Installation/Organization: _____

Reporting Activity _____

A/OPC Name: _____

A/OPC Phone Number: _____ COMM

Person Preparing Report (if different than A/OPC)

Phone Number _____

Span of Control Waivers

As of End of Quarter	21 Apr (1 Oct – 31 Mar)	21 Oct (1 Apr – 30 Sep)	Comments	FY Total
A. Total Number of Waiver Requests				
A1. Total Number of Waivers Approved				
A2. Total Number of Waivers Disapproved				
B. Number of Open but Inactive Accounts (0 to 3 months)				
B1. Number of Open but Inactive Accounts (more than 3 months)				

Detailed Span of Control Waiver Report

Entry No.	Organization Name/Code	Span of Control Waiver Request Summary and Reason for Waiver Request	Date Waiver Submitted to A/OPC (ddmmyyyy)	Status/Disposition of Waiver Request
1				
2				
3				
4				
5				
6				
7				
8				

Inactivity

As of End of Quarter	21 Apr (1 Oct – 31 Mar)	21 Oct (1 Apr – 30 Sep)	Comments	FY Total
A. Total Number of Open but Inactive accounts				
B. Number of Open but Inactive Accounts (0 to 3 months)				
C. Number of Open but Inactive Accounts (more than 3 months)				

Detailed Inactivity Report

[illegible]

Reviews

As of End of Quarter	21 Apr (1 Oct – 31 Mar)	21 Oct (1 Apr – 30 Sep)	Summary of Significant Findings	FY Total
A. Total Number of Level 4 A/OPC Programs Inspected				
B. Method of review				
C. Total Number of transactions reviewed				
C1. Total Number formal reports issued to Chief of Contracting Office				
D. Summary of adverse actions				
E. Exceptional GPC Programs or Performance				

Appendix H: GPC Thresholds

GPC THRESHOLDS			
TYPE	THRESHOLD	DESCRIPTION	REFERENCE
Micropurchases	\$3,000	Supplies or services - If purchases are made from CONUS vendors for use overseas, the micro-purchase threshold of \$3,000 remains in effect.	FAR 2.101 48 CFR Part IV AFARS 5113.270-90 paragraph (h)(1)
	\$2,500	purchases covered by Service Contract Act	
	\$2,000	purchases covered by Davis-Bacon Act	
	\$15,000	CONUS 1. Contingency Operation 2. Defense or Recovery from Certain Attacks (nuclear, biological, chemical, or radiological)	FAR 13.201 paragraph (g)(1)(i) & (ii) FAR Part 18.2 FAR 2.101 FAC 2005-45 FAR Case 2008-024 DFARS 213.301
	\$25,000	OCONUS DFARS 213.301 - CH appointed per 201.603-3(b) may use the GPC up to \$25,000, if—A commercial item purchase— made outside the United States for use outside the United States; cardholder is trained, complies with FAR 8.002, seeks maximum practicable competition for the purchase in accordance with FAR 13.104(b) - get at least 3 quotes.	
	\$30,000	OCONUS 1. Contingency Operation 2. Defense or Recovery from Certain Attacks (nuclear, biological, chemical, or radiological)	
Contract Payments	As identified in Contract	Warranted contracting officers may use the GPC as a contract payment method up to the limit of their warrant. Written contracts to be paid by purchase card should include the clause at 52.232-36, Payment by Third Party, as prescribed by FAR 32.1110(d).	AFARS 5113.270-90 paragraph (h)(2) FAR 32.1108 FAR 52-232-36
Cardholders (CHs) designated as Ordering Officers	\$25,000	CHs not in contracting organizations may use the GPC only to obtain items from pre-priced government contracts and agreements (e.g., FSS, BPAs, Indefinite Delivery/Indefinite Quantity ID/IQ contracts etc.). When purchasing from FSSs and BPAs, cardholders must review prices on at least three contracts/agreements. A record of this review will be kept with the GPC documentation.	AFARS 5113.202-90 (c)
Convenience Checks	\$3,000	With the exception of contingency or emergency operations, convenience checks shall not be written over: • \$3,000 for supplies, • \$2,500 for services covered by the Service Contract Act, and • \$2,000 for construction covered by the Davis Bacon Act.	AFARS 5113.270-90 paragraph (h)(3) DOD Guidebook DOD FMR Vol. 10 Ch. 23, 230505
	\$2,500		
	\$2,000		
Contingency, Humanitarian, or Peacekeeping Operations	May be adjusted IAW applicable act or order	As authorized by a specific appropriation or an Executive Order, the micro-purchase threshold may be adjusted in accordance with the applicable act or the order.	AFARS 5113.270-90 paragraph (h)(4) DOD Guidebook

Appendix H (Continued)

GPC THRESHOLDS (Continued)			
TYPE	THRESHOLD	DESCRIPTION	REFERENCE
Commercial Training	\$25,000	<u>Off-the-shelf Training and Education</u> - The GPC shall be used by training and education office personnel to pay for government, non-government and/or off-the-shelf training and education up to \$25,000 for an individual or planned series of the same training event, activity, or course material. Advance payments are authorized under Tuition Assistance.	AFARS 5113.270-90 paragraph (g)
	Equal to invoice submitted by institution	<u>Military Tuition Assistance (MTA)</u> - Single purchase limits for MTA will be set commensurate to the level of the consolidated GPC invoice submitted by each university or college.	AFARS 5113.270-90 paragraph (g)
Government to Government	Thresholds do not apply – CH can't exceed their delegated authority	When using the GPC to pay for services or supplies received from other government sources, procurement thresholds do not apply. (i.e. DLA Document Services, GSA stores or depots, DLA, Interagency Agreements)	AFARS 5113.270-90(e)
DLA Document Services	Thresholds do not apply	Self-service copiers will be used only when necessary to satisfy needs that are impractical for sending to DLA Document Services due to size or time constraints. The GPC will not be used to purchase printing and reproduction services directly from a commercial vendor unless a waiver has been obtained through DLA Document Services. The Lighthouse for the Blind, Inc., and UNICOR, may be used (without a waiver) as an alternate source of procuring services when it is clearly less costly to the Army.	AFARS 5113.270-90(e) AR 25-30
Emergency Acquisition Flexibilities Warranted Contracting Officer	\$300,000	<u>CONUS</u> <u>Can't exceed SAT</u> 1. Contingency Operation 2. Defense or Recovery from Certain Attacks (nuclear, biological, chemical, or radiological)	DFARS 213-301(3) FAR 2.101 "Definitions" 10 U.S.C. 101(a)(13) 10 U.S.C. §2302(8) 41 U.S.C. §428a FAC 2005-45 FAR Case 2008-024
	\$1,000,000	<u>OCONUS</u> <u>Can't exceed SAT</u> 1. Contingency Operation 2. Defense or Recovery from Certain Attacks (nuclear, biological, chemical, or radiological)	
NAFI	\$50,000	Purchases up to \$50,000 maybe made from exchanges only (vice NAFI's) by overseas organizations and the purchase card can be used as a method of payment.	AFARS 5113.270-90 (f)

Appendix I: Glossary – Sections I and II

Section I: Acronyms

ACOM

Army Command

AFARS

Army Federal Acquisition Regulation Supplement

A/OPC

Agency/Organization Program Coordinator

ARRA

American Recovery and Reinvestment Act

ASA(ALT)

Assistant Secretary of the Army (Acquisition, Logistics, and Technology)

AXOL

Access Online

BO

Billing Official

BPA

Blanket Purchase Agreement

CAP

Computer/Electronic Accommodations Program

CCO

Chief of Contracting Office

CH

Cardholder

CHESS

Computer Hardware, Enterprise Software and Solutions

C.O.D.

Cash on delivery

DA

Department of the Army

DAWIA

Defense Acquisition Workforce Improvement Act

DAU

Defense Acquisition University

DFARS

Defense Federal Acquisition Regulation Supplement

DFAS

Defense Finance and Accounting Service

DOD

Department of Defense

DD Form

Department of Defense Form

DTMO

Defense Travel Management Office

DSN

Defense Switched Network

EAS

Electronic Access System

EEO

Equal Employment Opportunity

EDI

Electronic Data Interchange

FAR

Federal Acquisition Regulation

FDC

Foreign Draft Checks

FORSCOM

Forces Command

FMR

Financial Management Regulation

FPDS-NG

Federal Procurement Data System – Next Generation

GAO

Government Accountability Office

GFEBS

General Financial Enterprise Business System

GPC

Government Purchase Card

GSA

General Services Administration

HA

Head of Activity

IRS

Internal Revenue Service

IT

Information Technology

JWOD

Javits-Wagner-O'Day

MCC

Merchant Category Code

MBA

Military Bus Agreement

OCONUS

Outside the Continental United States

OMB

Office of Management and Budget

PARC

Principal Assistant Responsible for Contracting

PAM

Pamphlet

PBO

Property Book Officer

PCOLS

Purchase Card Online System

PCPMO

Purchase Card Program Management Office

RM

Resource Manager

SDDC

Surface Deployment and Distribution Command

SF

Standard Form

TRP

Tax Reporting Process

U.S.C.

United States Code

Section II

Terms

The following definitions are provided for terms used in this regulation. Other definitions that are not detailed below are contained in the training manuals provided by the Servicing Bank.

AbilityOne Program – FAR Subpart 8.7 - formerly Javits-Wagner-O'Day (JWOD), this socioeconomic program provides employment opportunities for over 40,000 Americans who are blind or have other severe disabilities by orchestrating government purchases of products and services provided by nonprofit agencies employing such individuals throughout the country. The Javits-Wagner-O'Day Act, (41 U.S.C. § 46) requires the Government to purchase supplies or services on the Procurement List, at prices established by the Committee, from AbilityOne participating nonprofit agencies if they are available within the period required.

Accountable Official (AO) - A member of DOD, military or civilian personnel, designated in writing and not otherwise accountable under applicable law, who provides source information, data, or service (such as an RO, a CH, and an Automated Information System Administrator) to a reviewing or disbursing official in support of the payment process. The AO has pecuniary liability for erroneous payments resulting from his/her negligent actions.

Accountable Property – Army Regulation 735-5 - A term used to identify property recorded in a formal property management or accounting system. Accountable property includes all property purchased, leased (capital leases), or otherwise obtained having a unit acquisition cost of \$5,000 or more (land, regardless of cost), and items that are sensitive. Sensitive items require a high degree of protection and control due to statutory requirements or regulations, such as narcotics and drug abuse items; precious metals; items which are of a high value, highly technical, or a hazardous nature; and small arms, ammunition, explosives, and demolition material or classified (See Volume 10, Table 61 of DOD 4100.39-M reference (k)). Additional and/or separate records or other record keeping instruments shall be established for management purposes, or when otherwise required by law, policy, regulation, or agency direction, including, but not limited to pilferable items. Pilferable items have a ready resale value or application to personal possession and are, therefore, especially subject to theft. Screening by the Property Book Officer (PBO) is required to determine the accounting requirements of the purchased property. The installation PBO will provide guidance on specific local property accountability procedures to the A/OPC, BOs, and CHs related to GPC purchases.

Agency/Organization Program Coordinator (A/OPC) - A Government employee responsible for the implementation and execution of his/her agency/organization purchase card program in accordance with established regulations, policies and procedures. The A/OPC has overall administration to include developing and implementing policy, establishing and making changes to accounts, as well as training

CHs and BOs. Multiple levels of Agency/Organization Program Coordinators exist at different hierarchical levels within the program for each agency/organization.

Assessable Unit Manager - A Head of Activity designated by the head of the reporting organization to provide leadership and support needed to ensure that internal controls are in place and operating effectively.

Billing Invoice - The billing invoice identifies all of the purchase card transactions made by the CHs assigned to a particular BO that are posted during a billing cycle. The invoice can be paper based or presented through the Electronic Access System (EAS) of the issuing bank.

Billing Official (BO) - A Government employee who has been nominated by his or her activity/organization to have oversight responsibility over the CHs assigned to his or her managing account. The BO is responsible for: oversight of CHs; certifying officer for the accounts assigned; review CHs' monthly statements and verify all transactions made were necessary and were accomplished in accordance with regulations and all other agency policies and procedures; and certify monthly invoices (billing statements) for payment processing. Installation, unit, and local Heads of Activities or their designees will nominate individuals from their organizations as BOs. The nominating official must be in the supervisory chain of the individual being nominated, and the nomination must be forwarded to the Chief of the Contracting Office (CCO) for issuance of an appointment letter. Issuing appointments to BOs may be redelegated in writing to the A/OPC. The BO is at Level 5 in the GPC reporting hierarchy.

Bulk Funding Method - The bulk funding method requires posting specific funds to the official accounting records prior to payment of a CH's account. Bulk funding may be made as appropriate to the funding environment of the activity.

Cardholder (CH) - An individual designated by an agency/organization to be issued a card. The card bears the individual's name and can be used only by that individual for official purchases in compliance with agency internal procedures. The term "CH" also applies to check writers on convenience check accounts. CHs are responsible for the timely and accurate processing of monthly CH statements and maintaining a purchase log or the servicing bank's automated system to record purchases. CHs must adequately control access to the card to preclude unauthorized use and take timely and proper action when unauthorized charges occur. Installation, unit, and local Heads of Activities or their designees will nominate individuals from their organizations as CHs. The nominating official must be in the supervisory chain of the individual being nominated, and the nomination must be forwarded to the Chief of the Contracting Office (CCO) for issuance of a delegation of micro-purchase authority. Issuing delegations of authority to CHs may be redelegated in writing to the A/OPC. The CH is at Level 6 in the GPC reporting hierarchy.

Cardholder Statement - The statement of charges provided to a CH detailing all of the transactions posted to his or her account during a billing cycle.

Certifying Officer – Certain Government employees (Resource Managers, Billing Officials) are held accountable for Federal Payments responsible to verify that payments made by the Federal Government are legal, proper and correct. Certifying officers are responsible for the accuracy and legality of the payments made from Federal funds that they approve (31 U.S.C. §3528). Certifying Officers review payment vouchers before certification to ensure that the information on the vouchers agrees with all supporting documentation. See DOD FMR Volume 5, Chapter 330308 A.2.c. **For GPC purposes, certifying officer and certifying official are synonymous.**

Computer Hardware, Enterprise Software and Solutions (CHES) – The CHES program is the Army's primary source for commercial information technology (IT) hardware and software. Memorandum signed by the Army CIO/G-6 and the Acting ASA (ALT), dated May 4, 2009 informed of the requirement to use CHES for IT hardware and software purchases. The CHES website is located at URL: <https://ches.army.mil/ascp/commerce/disclaimer/disclaimer.jsp>

Computer/Electronic Accommodations Program (CAP) - A centrally funded program that provides ergonomic-related and low-vision equipment for all DOD employees.

Contract action report (CAR) - Form used to report contract actions on the FPDS-NG web site.

Convenience checks - Third-party drafts issued using the GPC account. Third-party drafts may be used to acquire and pay for supplies or services.

Delegation of procurement authority letter - A document issued by the CCO that gives an individual the authority to place orders with the GPC. This delegation of procurement authority will specify the single-purchase and monthly purchase limitations unique to that CH.

Direct-Hire – Authorities: 5 U.S.C. §3304 and 5 CFR Part 337, Subpart B Using OPM–approved government wide or agency specific direct-hire authorities, agencies may appoint candidates to positions without regard to the requirements in title 5 U.S.C. §3309 through §3318. In order for an agency to use direct hire, OPM must determine that there is either a severe shortage of candidates or a critical hiring need for a position or group of positions.

Disinterested 3rd Party – An independent, impartial, neutral, and competent person in both action and appearance, independent of the office maintaining the convenience check account, responsible for reviewing and providing an unbiased review of the convenience check account(s) quarterly. This internal control activity provides safeguards against threats to a reviewer's impartiality and pressures posed in the environment that may compromise or reasonably be expected to compromise the effectiveness and ability of the reviewer to maintain an unbiased comprehensive review report.

Electronic Access System (EAS) – is a web-based computer system required by the task order with the issuing Bank for account set-up, maintenance, reporting, and electronic bill presentment and certification.

Electronic data interchange (EDI) - The automatic process of receiving electronic obligation and invoice records directly from the Servicing Bank into a DOD accounting system.

Erroneous Payment - Illegal, improper, or incorrect payment. DOD FMR Vol. 5 Ch. 33 paragraph 330903.

Federal Procurement Data System Next Generation (FPDS-NG) – a computer-based Federal Procurement Data System for collecting, developing and disseminating procurement data to the Congress, Executive Branch and private sector in compliance with 41 U.S.C. §401 et seq. and FAR Subpart 4.6. The data is used to measure and assess the impact of Federal procurement on the nation's economy, the extent to which awards are made to businesses in the various socio-economic categories, the impact of full and open competition on the acquisition process and other procurement policy purposes. The Office of Federal Procurement Policy (OFPP) requires that each Department and Agency certify annually that all data within FPDS-NG is valid and complete.

File turn time - The average number of calendar days between the time a charge (purchase) is posted and payment is received by the issuing Bank.

Fraud - Any intentional deception designed to deprive the Government unlawfully of something of value or to secure from the Government for an individual a benefit, privilege, allowance, or consideration to which he or she is not entitled.

GFEBS - The General Fund Enterprise Business System (GFEBS) is a web-enabled enterprise resource planning (ERP) system that will allow the U.S. Army to share financial, asset and accounting data across the Service. The system will standardize transactional input and business processes across the Army to enable cost management activities; provide accurate, reliable, and real-time data; and tie budgets to execution. GFEBS will move the Army from a 'spend and consume culture' - to a 'cost and control culture' by providing value-added, decision-support tools. GFEBS benefits the Army by reducing and eliminating waste; reducing variation and improving quality, and complying with regulatory and legislative directives.

Hand Receipt Holder – An individual responsible for property listed on a signed document, thereby acknowledging acceptance and responsibility for items therein.

Head of Activity (HA) - The military officer in command or the civilian executive in charge of the mission of a command or activity. This individual has disciplinary authority over CHs and BOs in his or her organization and is responsible for having proper internal controls that deter fraud and ensuring that those who violate the policies are properly sanctioned or counseled.

Head of the Agency - means, for DOD, the Secretary of Defense, the Secretary of the Army, the Secretary of the Navy, and the Secretary of the Air Force. Subject to the direction of the Secretary of Defense, the Under Secretary of Defense (Acquisition, Technology, and Logistics), and the Director of Defense Procurement and Acquisition Policy, the directors of the defense agencies have been delegated authority to act as head of the agency for their respective agencies (i.e., to perform functions under the FAR or DFARS reserved to a head of agency or agency head), except for such actions that by terms of statute, or any delegation, must be exercised within the Office of the Secretary of Defense. (For emergency acquisition flexibilities, see DFARS 218.270). (DFARS 202.101 Definitions)

Head of Contracting Activity - The official who has overall responsibility for managing the contracting activity, including use of the GPC by personnel under his or her contracting cognizance. (FAR 2.101) "Contracting activity" for DOD also means an element of a Defense agency, designated by the Head of Activity for that Defense agency that has been delegated contracting authority through its agency charter. (FAR 2.101)

Javits-Wagner-O'Day (JWOD) Act - A law that establishes mandatory sources for supplies and services, administered by the Committee for Purchase from People Who Are Blind or Severely Disabled. Two national, independent organizations, National Industries for the Blind (NIB) and National Institute for the Severely Handicapped (NISH), help state and private nonprofit agencies participate in the AbilityOne Program.

Merchant Category Code (MCC) - A code used by the issuing bank to categorize each merchant according to the type of business in which the merchant is engaged and the kinds of goods and services provided. MCC codes are used as authorized-transaction-type codes on a card/account to identify authorized types of businesses from which purchases may be made with the GPC. The DOD PCPMO will maintain the list of DOD-wide blocked codes. It will be the responsibility of the Army Level 2 A/OPC to administer and record any waiver requests to these blocks.

Packing List/Slip - (also known as a bill of parcel, unpacking note, packaging slip, (delivery) docket, delivery list), is a shipping document that accompanies delivery packages, usually inside an attached shipping pouch or inside the package itself. It commonly includes an itemized detail of the package contents and does not include customer pricing. It serves to inform all parties, including transport agencies, government authorities, and customers, about the contents of the package. It helps them deal with the package accordingly.

PCOLS – Purchase Card Online System is a DOD-wide, DOD-operated dating mining electronic system that Government Purchase Card (GPC) participants will use to improve the management and accountability of their GPC Program organizations. It is comprised of five web-enabled automated tools: Enterprise Monitoring and Management of Accounts (EMMA); Authorization, Issuance and Maintenance (AIM); Data Mining (DM); Risk Assessment (RA); and PCOLS Reporting.

Pre-purchase approval - When required and identified by Army or local procedures, documentation showing authority has been obtained to purchase special-use items such as hazardous material or information technology.

Prompt Payment Act - A law that requires prompt payment of invoices (billing statements) within 30 days of receipt (FAR Clause 52.232-25, Prompt Payment, (May 1997)). An automatic interest penalty is required if payment is not timely.

Receipt - A receipt is a written record of a transaction documenting proof of payment. The receipt acts as the title to the property obtained in the exchange. A receipt is a legal document which serves as a permanent record of the transaction that can be used to support financial records (i.e. billing official invoice). Internet shopping has led to the creation of electronic receipts. Many online businesses provide the cardholder with the option of printing a receipt of the transaction as soon as the payment is approved. In addition, the vendor may provide the cardholder with an email copy of the receipt. The receipt will include basic information about the nature of the sale. This essential detail will include the date of the transaction, a list of the prices of the items purchased, subtotal, applicable taxes, and a final total. Some forms of the receipt will provide unit prices and extended prices when multiple units of the same item are purchased, as well as a detailed description of each item.

Required or mandatory sources of supply - The priority of sources is dictated by FAR Part 8, Required Sources of Supplies and Services, Subpart 8.001, Priorities for Use of Government Supply Sources, and DFARS 208. Mandatory sources must be considered before an open-market source can be considered. Other mandatory sources include DLA Printing Services, Army CHES, Army BPAs.

Resource Manager (RM) - The Resource Manager is a Certifying Officer who certifies that funds are available for the GPC program and establishes lines of accounting used on the GPC program. The RM is responsible for the proper assignment of funding on an obligation document before the obligation is incurred, and for maintaining a system of positive funds control.

Split Purchase - Occurs when a CH splits a known requirement at the time of the purchase into several transactions in order to: circumvent dollar thresholds in order to use the GPC; to avoid competitive bids for purchases over the micro-purchase threshold; or to avoid other established credit limits (this is prohibited). When a known small purchase requirement exceeds the micro-purchase threshold, it must be purchased through a contract using simplified acquisition procedures. Examples of Split Purchases or Split Requirements include the following:

(1) A single CH making multiple purchases from the same merchant on the same day, the total of which exceeds the single purchase limit and the total requirement was known at the time of the first purchase.

(2) A single CH purchasing the same/similar item(s) from multiple merchants on the same day, the total of which exceeds the single purchase limit and the total was known at the time of the first purchase.

(3) A single CH making multiple purchases of similar items from the same or multiple merchants over a period of time when the total requirement was known at time of the first purchase and the value exceeds the single purchase limit.

(4) Multiple CHs under the same supervision/billing official purchasing the same/similar item(s) the same day or in a compressed timeframe when the total requirement is known at a given time and exceeds the single purchase limit.

Third Party Payments – An online payment processor (i.e. PayPal, 2Checkout.com) provides ways for a merchant to accept credit cards and other payments online without the extra cost and obligation of a merchant account. Where it is identified that a purchase will be processed via a third party merchant (i.e. PayPal), the CH should make every attempt to choose another merchant with whom to procure the goods and/or services. If still found necessary to procure using a third party payment merchant, the CH and BO must ensure there is adequate supporting documentation to prove that there was a detailed review of the purchase and that the use of the third party payment merchant was unavoidable. Transactions made with a third party payment merchant are considered high risk for both subsequent audit and data mining screening.

Training – Commercial Off-the-Shelf Training - is defined as training products and services regularly available to the general public and/or Government personnel. The term includes training offered in catalogs or other printed material by a college, university, professional association, consultant firm or organization. It does not include training specifically developed, designed, and produced to meet requirements unique to an organization and/or program. **Non-government training** sources include, but are not limited to:

- State government or instrumentality,
- Interstate government organization,
- Medical, scientific, technical, educational, research, or professional institutions, foundations or organizations,
- Universities, technical, business, and vocational schools, business, commercial, or industrial firms, corporations, partnerships, proprietorships, or other organizations.

United States - The 50 States and the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, the Commonwealth of the Northern Mariana Islands, Guam, American Samoa, Wake Island, Johnston Island, Canton Island, the outer Continental Shelf lands, and any other place subject to the jurisdiction of the United States (but not including leased bases).